

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION MEETING/WORKSHOP AGENDA

Grand Naniloa Resort – Sandalwood Room, 93 Banyan Drive, Hilo, HI 96720,
and Zoom Meeting ID: 609 754 2925

Monday, September 18, 2023, at 9:30 a.m. to be continued, if necessary, on
Tuesday, September 19, 2023, at 9:30 a.m.

Livestream available at www.dhhl.hawaii.gov/live

Note: Commission Meeting Packets will be available at dhhl.hawaii.gov by Wednesday, September 13, 2023.

I. ORDER OF BUSINESS

- A. Roll Call
- B. Approval of Agenda
- C. Approval of Minutes:
 - a. August 21 & 22, 2023 Regular Meeting
- D. Public Testimony on Agendized Items – see information below

Public testimony on any item **relevant to this agenda** may be taken at this time, or a testifier may wait to testify at the time the agenda item is called for discussion. Pursuant to section 92-3, Hawaii Revised Statutes, and section 10-2-11(c), Hawaii Administrative Rules, the Chair of the Commission has the authority to impose reasonable conditions to ensure an orderly and efficient meeting.

II. ITEMS FOR DECISION MAKING

A. CONSENT AGENDA

Homestead Services Division

- D-2 Approval of Consent to Mortgage (see exhibit)
- D-3 Ratification of Loan Approvals (see exhibit)
- D-4 Approval of Streamline Refinance of Loans (see exhibit)
- D-5 Approval of Homestead Application Transfers / Cancellations (see exhibit)
- D-6 Approval to Certify Applications of Qualified Applicants for the Month of August 2023 (see exhibit)
- D-7 Commission Designation of Successors to Application Rights – Public Notice 2022 (see exhibit)
- D-8 Approval of Assignment of Leasehold Interest (see exhibit)
- D-9 Approval of Amendment of Leasehold Interest (see exhibit)
- D-10 Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems for Certain Lessees

B. REGULAR AGENDA

Office of the Chairman

- C-1 Adoption of Recommendation of the Permitted Interaction Group, Appointed Pursuant to HRS 92-2.5 and HRS 10-2-16(b)(1), to Study and Recommend Strategies Related to Fairness in Lease Transfers
- C-2 Approval of 2024 Legislative Proposals

Homestead Services Division

- D-11 Approval to Postpone Direct Loan Payments for those Maui Lessees who have been Impacted by the Lahaina Wildfires.

Land Management Division

- F-1 Approval to Annual Renewal of Right of Entry Permits, East, Central, and South Hawaii Island (see exhibit)
- F-2 Authorization to enter into Memorandum of Agreement with the U.S. Department of Defense to receive Federal grant funding for Aina Mauna Legacy Program Implementation, Mamane Reforestation Humu‘ula, Hawaii Island
- F-3 Authorization to enter into Memorandum of Agreement with U.S. Department of Agriculture to receive Federal grant funding for Aina Mauna Legacy Program Implementation, Sustainable Koa Forestry, Humu‘ula, Hawaii Island
- F-4 Approval to Issue Right-of-Entry Permit to U.S. Army Corps of Engineers, Kawaihae, Hawai‘i Island, TMK Nos. (3) 6-1-001:003; (3) 6-1-002, 003, 004, 006: various; (3) 6-2-001:012; (3) 6-2-006:003; (3) 6-6-001, 004, 007, 012: various
- F-5 Authorization to Enter Into a Sale of Lease at Public Auction for Industrial Purposes for the Kaei Hana II Industrial Subdivision, Kawaihae, Hawai‘i Island, TMK No. (3) 6-1-006:013
- F-6 Approval to establish a Preliminary Condominium Property Regime (CPR) and Amend General Lease No. 294, to Kalaeloa Home Lands Solar, LLC Kalaeloa, Oahu Island, TMK No. (1) 9-1-013:029
- F-7 Approval to Issuance of Revocable Permit to Kani Inc., Oahu Island, TMK No. (1) 9-1-013:024 (por.)
- F-8 Approval to Issuance of Revocable Permit to Ke Kula Nui O Waimanalo, Oahu Island, TMK No. (1) 4-1-019:032
- F-9 Authorization to Enter Into a Sale of Lease at Public Auction for Industrial Purposes for the Shafter Flats Industrial Development, Moanalua, Honolulu, O‘ahu Island, TMK Nos. (1) 1-1-064:018; (1) 1-1-064:019; (1) 1-1-063:020; (1) 1-1-064:021; (1) 1-1-064:022; (1) 1-1-064:034; (1) 1-1-064:035; (1) 1-1-064:033; (1) 1-1-064:032; (1) 1-1-064:031
- F-10 Approval to Issue Right-of-Entry Permit to EC Trucking LLC, Kalaeloa, Oahu Island, TMK No. (1) 9-1-013:024 (por.)

Administrative Services Office

- H-1 FY25 Budget Request
- H-2 Transfer of Hawaiian Home Receipts Fund Money at the End of the 1st Quarter, Fiscal Year 2024
- H-3 Ratification of Emergency Purchase

III. EXECUTIVE SESSION

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 on the following matters:

1. Discussion on Yokoyama v. Hawaiian Homes Comm’n, et al., Civ. No. 1CCV-23-000942

IV. ITEMS FOR INFORMATION/DISCUSSION

A. REGULAR ITEMS

- D-1 HSD Status Reports
 - A.-Homestead Lease and Application Totals and Monthly Activity Reports
 - B.-Delinquency Reports

Land Development Division

- E-1 For Information Only – East Hawaii Projects Update
- E-2 For Information Only – Request for Qualifications Procurement Process
- E-3 For Information Only – Implementation Progress Report for Act 279, Session Laws of Hawaii 2022, as of August 31, 2023

Planning Office

- G-1 For Information Only – Status Update on Plan Implementation in the East Hawai‘i Region
- G-2 For Information Only – East Hawai‘i Water Issues and Projects Update
- G-3 For Information Only – Update on Kings Landing Kuleana Settlement Plan and Environmental Assessment Process
- G-4 For Information Only – Lessons Learned from Kulia I Ka Nu‘u Program and Other Homestead Community Development Pilot Programs

V. ANNOUNCEMENTS AND RECESS

1. Video of the Hawaiian Homes Commission Limited Meeting of Sunday, September 17, 2023, will be posted on the Department of Hawaiian Home Lands’ website no later than September 18, 2023.
2. DHHL Community Meeting September 18- Keaukaha Elementary School Cafeteria, 240 Desha Avenue, Hilo, Hawaii, 96720

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION MEETING/WORKSHOP AGENDA

Grand Naniloa Resort – Sandalwood Room, 93 Banyan Drive, Hilo, HI 96720,
and Zoom Meeting ID: 609 754 2925

Tuesday, September 19, 2023, at 9:30 a.m.

Livestream available at www.dhhl.hawaii.gov/live

I. ORDER OF BUSINESS

A. Roll Call

B. Public Testimony on Agendized Items - see information below

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II. ITEMS FOR INFORMATION/DISCUSSION

A. GENERAL AGENDA

Requests to Address the Commission

- J-1 Skippy Ioane, Ainaaloha Ioane, Gracie Flores, Herman Costa, Nawai Laimana, Lehua Angay, John Waipa – MAHA (Mālama ka ‘Āina, Hana ka ‘Āina) Updates
- J-2 Kauilani Almeida -Pana‘ewa Hawaiian Home Lands Community Association
- J-3 Pat Kahawaiolaa – Keaukaha Community Association
- J-4 Ron Kodani- Affordable Housing -Pi‘ihonua Hawaiian Homestead Community Association
- J-5 Leila Kealoha, Lauae Kekahuna – Maku‘u Hawaiian Homesteads
- J-6 Jessie Wallace - Relocations
- J-7 Blossom Feiteira – Various Maui Concerns
- J-8 Kekoa Enomoto – Paupena Community Development Corporation
- J-9 Rae Nam – Anahola License Extension KKO
- J-10 Harold Vidinha – ROE Alialoa Road, Kekaha, Hawaii
- J-11 Kahaunani Mahoe-Theone – Foreclosure and Lease Cancellation Prevention
- J-12 Lexy Gorgonio, Chelsea Enos, Troy Hanohano – Kanaka Anti Displacement Fund

III. ANNOUNCEMENTS AND ADJOURNMENT

- A. Next HHC Meeting –October 16 & 17, 2023, Courtyard by Marriott Kahului Airport, Haleakalā Ballroom.
- B. Next DHHL Community Meeting – October 16, 2023, Maui Waena Intermediate School, 795 Onehee Avenue, Kahului, Hawaii 96732
- C. Adjournment


Kali Watson, Chairman
Hawaiian Homes Commission

COMMISSION MEMBERS

Randy K. Awo, Maui

Zachary Z. Helm, Molokaʻi

Michael L. Kaleikini, East Hawaiʻi

Walt Kaneakua, Oʻahu

Pauline N. Namuʻo, Oʻahu

Dennis L. Neves, Kauaʻi

Makai Freitas, West Hawaiʻi

Sanoe Marfil, Oʻahu

If you need an auxiliary aid/service or other accommodation due to a disability, contact Michael Lowe at 620-9512, or michael.l.lowe@hawaii.gov, as soon as possible, preferably by September 15, 2023. If a response is received after then, we will try to obtain the auxiliary aid/service or accommodation, but we cannot guarantee that the request will be fulfilled. Upon request, this notice is available in alternate formats.

Public Testimony on Agendized Items can be provided either as: (1) in person at the meeting location, by filling out a form at the reception table, (2) written testimony mailed to *Commission Testimony, P.O. Box 1879, Honolulu, HI, 96815*, or emailed to *DHHL.icro@hawaii.gov* by September 15, 2023, or (3) live, oral testimony online by joining the Zoom meeting and relabeling your profile to include the agenda item you wish to testify on. Please keep your computer muted and your camera off until you are called. You will need a computer with internet access, video camera and microphone to participate. Testimony may be limited to a maximum of three (3) minutes per person.

Disruption of Interactive Technology – If audiovisual communication cannot be maintained by all participating Commissioners and a quorum is lost, the meeting will automatically be recessed for 30 minutes. During that time, an attempt to restore audiovisual communication will be made. If such an attempt to restore is unsuccessful within 30 minutes, all Commissioners, members of the public, staff, and other interested individuals shall log on again to the Zoom link on this Notice, whereby audio communication will be established for all participants and the meeting will continue. If reconvening the meeting is not possible because audio and visual communication cannot be re-established, the meeting will be terminated.

ITEM D-2 EXHIBIT

APPROVAL OF CONSENT TO MORTGAGE

LESSEE	LEASE NO.	AREA
ABILEY, Margie H.	4778	Waiakea, Hawaii
ARMITAGE, Henry K.	4506	Nanakuli, Oahu
CHANG, Louis T.	1649	Nanakuli, Oahu
HANOHANO, Donna Rae P.	8125	Waiakea, Hawaii
JOHNSON, Gina May K. K.	12590	Kanehili, Oahu
KIM, KRISTINE I. H.	9512	Waiehu 2, Maui
KUPIHEA, Kaira A.	8840	Anahola, Kauai
NAPEAHI, Terri L.	6247	Panaewa, Hawaii
NIHEI, George T., Jr.	3522	Kewalo, Oahu
POLIKAPU-MEDEIROS, Frances L.C.M.M.	2565	Keaukaha, Hawaii
RICHARDSON-ORTIZ, Robbie I.	3120	Waimanalo, Oahu
SALINAS, Roger L.	10026	Kawaihae, Hawaii
SILVA, Eulyn N.	3229	Waimanalo, Oahu

ITEM D-3 EXHIBIT

RATIFICATION OF LOAN APPROVALS

LESSEE	LEASE NO.	AREA
HIGA, Sueo	11087	Anahola, Kauai
KAMA, Karen K.	10025	Kawaihae, Hawaii

ITEM D-4 EXHIBIT

APPROVAL OF STREAMLINE REFINANCE OF LOANS

LESSEE	LEASE NO.	AREA
MAKASOBE, Henry E.	9983	Nanakuli, Oahu

ITEM D-5 EXHIBIT

APPROVAL OF HOMESTEAD APPLICATION TRANSFERS / CANCELLATIONS

APPLICANT	AREA
AHUNA, Jona Marie K.P.	Kauai IW Res
BRITTAIN, Margaret K.	Maui IW Res
COSTA, Herman Jr.	Hawaii I.W. Agr
KAHALEWAI, Solomon J., Jr.	Oahu IW Res
KAPULE, Nathan L.	Molokai IW Res
KAUI, Shelly L.	Kauai I.W. Agr
KEAWE, Chanda A.	Maui IW Res
KEAWEAMAHI, Wendell L.	Kauai IW Res
LOO, Adele L.	Hawaii IW Res
MALAGA, Edrianna P.C.	Oahu IW Res
MALAGA, Edrianna P.C.	Hawaii I.W. Agr
MARCELLINO, Peter H.K.	Oahu IW Res
OTA, Rowena L.K.	Hawaii I.W. Agr

PAVAO, Lydia N.
 PAVAO, Lydia N.
 PELEKAI-WAI, Kulea K.
 SOARES-YAP, Celeste L.
 SOARES-YAP, Celeste L.
 SORIANO, Caridad E.
 WONG, Wallis K.
 WOODARD, Daryle Jean K.

Oahu IW Res
 Hawaii I.W. Agr
 Oahu I.W. Agr
 Oahu IW Res
 Hawaii I.W. Agr
 Maui IW Res
 Maui I.W. Agr
 Oahu IW Res

* IW = Islandwide

ITEM D-6 EXHIBIT

QUALIFIED HOMESTEAD APPLICANTS FOR APPROVAL

APPLICANT	AREA
AMBROSE, Sybil K.	Oahu IW Res
ANDERSON, Robin K.	Hawaii I.W. Agr
ANDERSON, Robin K.	Hawaii IW Res
BANNISTER, James K.	Oahu IW Res
BORGES-APAO, Elijah N.	Hawaii I.W. Agr
BORGES-APAO, Elijah N.	Hawaii IW Res
CHANG, Joshua K.	Hawaii IW Res
DAVIS, Roberta M.	Hawaii IW Pas
EDWARDS, Colleen L.	Oahu I.W. Agr
EDWARDS, Colleen L.	Oahu IW Res
ELLIS, Travis A.	Oahu IW Res
GARNETT, Shevon K.	Hawaii I.W. Agr
KAHAKAI, Casey	Hawaii I.W. Agr
KAHAKAI, Casey	Hawaii IW Res
KAHOOKELE, Jarrett K., Jr.	Oahu IW Res
KAHOOKELE, Jarrett K., Jr.	Hawaii I.W. Agr
KAHUI, David Shane A.	Oahu I.W. Agr
KAHUI, David Shane A.	Oahu IW Res
KALA-WISLEY, Shannon K.	Oahu IW Res
KALEIOPU, Timothy J.	Hawaii I.W. Agr
KALEIOPU, Timothy J.	Hawaii IW Res
KAPELE, Kanai M.	Oahu IW Res
KAUPU, Shannon Macleroy K.	Hawaii I.W. Agr
KAUPU, Shannon Macleroy K.	Hawaii IW Res
KEAHI-LEARY, Margaret K.	Molokai IW Res
KUHAULUA, Abe E.	Kauai IW Res
LAIMANA, Dayne K.K.	Oahu I.W. Agr
LAIMANA, Dayne K.K.	Oahu IW Res
LAIMANA, Thomas K.K.	Oahu I.W. Agr
LAIMANA, Thomas K.K.	Oahu IW Res
LAU, Iris K.	Hawaii I.W. Agr

LAU, Iris K.	Hawaii IW Res
LEALAO, Chelcey M.	Oahu IW Res
LOPEZ, Clarence T., Jr.	Oahu IW Res
MAIAVA, Seau K.K.	Oahu I.W. Agr
MAIAVA, Seau K.K.	Oahu IW Res
MAIAVA, See A.	Oahu I.W. Agr
MAIAVA, See A.	Oahu IW Res
MAIAVA, Warner S.	Oahu I.W. Agr
MAIAVA, Warner S.	Oahu IW Res
MOIHA, Justin K.	Maui I.W. Agr
MOIHA, Justin K.	Maui IW Res
MOSES, Cid D.	Oahu I.W. Agr
MURRAY, Pamela K.	Oahu I.W. Agr
MURRAY, Pamela K.	Oahu IW Res
NAPUELUA-AH YEE, Kanai K.	Oahu IW Res
NAPUELUA-AH YEE, Kanai K.	Maui I.W. Agr
NAPUELUA-AH YEE, Keaka K.	Oahu IW Res
NAPUELUA-AH YEE, Keaka K.	Molokai I.W. Agr
NAPUELUA-AH YEE, Kiliohu K.	Oahu IW Res
NAPUELUA-AH YEE, Kiliohu K.	Molokai I.W. Agr
PALIMOO, Rose L.M.	Oahu I.W. Agr
PALIMOO, Rose L.M.	Oahu IW Res
PARKER, Duke A.H.	Oahu IW Res
POKINI, Raven K.	Maui I.W. Agr
ROSE, Jesticity K.	Oahu IW Res
ROSE, Jesticity K.	Hawaii I.W. Agr
SNIFFEN, Rose L.	Maui IW Res
SPENCER, Joel N.K.	Oahu IW Res
TEJEDA-FIGUEROA, Esmeralda M.	Maui IW Res
VENTURA, William K.	Hawaii IW Res

* IW = Islandwide

ITEM D-7 EXHIBIT

COMMISSION DESIGNATION OF SUCCESSORS – PUBLIC NOTICE 2022

APPLICANT	AREA
BRITTAIN, Margaret K.	Waimanalo Area / Oahu IW Res
COSTA, Herman Jr.	Hawaii I.W. Agr
DELA CRUZ, Vanessa L.K.	Oahu IW Res
KAPULE, Nathan L.	Kawaihae Area/ Hawaii IW Res
KAUI, Shelly L.	Kauai I.W. Agr
KEAWE, Chanda A.	Waimanalo Area / Oahu IW Res
MALAGA, Edrianna P.C.	Oahu IW Res
MALAGA, Edrianna P.C.	Hawaii I.W. Agr
OTA, Rowena L.K.	Hawaii I.W. Agr

PAVAO, Lydia N.
 PAVAO, Lydia N.
 PELEKAI-WAI, Kulea K.
 PELEKAI-WAI, Kulea K.
 PUKAHI, Sandra A.K.
 PUKAHI, Sandra A.K.
 SOARES-YAP, Celeste
 SOARES-YAP, Celeste
 SORIANO, Caridad E.
 WONG, Wallis K.

Oahu IW Res
 Hawaii I.W. Agr
 Maui I.W. Agr
 Maui IW Res
 Maui I.W. Agr
 Maui IW Res
 Oahu IW Res
 Kauai I.W. Agr
 Maui IW Res
 Oahu I.W. Agr
 *IW = Islandwide

ITEM D-8 EXHIBIT

APPROVAL OF ASSIGNMENT OF LEASEHOLD INTEREST

LESSEE	LEASE NO.	AREA
ALVARADO, Bernadette E.	8884	Hanapepe, Kauai
WERNER, Keala K.	8884	Hanapepe, Kauai
LEWIS, Amber K.	8865	Hanapepe, Kauai
CURA, Tinamarie K. K.	11585	Kanehili, Oahu
PASCUA, Lucy K.	11585	Kanehili, Oahu
DAIMARU, Oswin W. P. T.	4780	Waiakea, Hawaii
JEREMIAH, Bradley E.	4249	Keaukaha, Hawaii
KAUIHANA, Keohokui A.	8691	Anahola, Kauai
KAUWE, Norman L.	2274	Waimanalo, Oahu
KOMETANI, James K.	12127	Kaupea, Oahu
LALAWAI, Hannah K.	6709	Waianae, Oahu
NAKAMURA, Kalena Chasity K.	3157	Waimanalo, Oahu
PALAKIKO, Georgian P. K. C.	378	Nanakuli, Oahu
PALENAPA, Relda S.	2864	Waimanalo, Oahu
WILSON, Norman S. K., Jr.	1704	Waimanalo, Oahu
EVANS, Annabelle K. Y.	13008	Anahola, Kauai

ITEM D-9 EXHIBIT

APPROVAL OF AMENDMENT OF LEASEHOLD INTEREST

LESSEE	LEASE NO.	AREA
CLUNEY, Lydia K.	2355	Hoolehua, Molokai
KAHALEWAI, Rhonda K.	121	Hoolehua, Molokai
KAHALEWAI, Solomon K.	121	Hoolehua, Molokai
KAPUNI, Noelani A.	3082	Keaukaha, Hawaii
KAUWE, Norman L.	2274	Waimanalo, Oahu
GOMES, Corina N. K.	3880	Kalamaula, Molokai
GOMES, Andrew M. K.	3880	Kalamaula, Molokai
KEAHI, Precious L. K.	3880	Kalamaula, Molokai
LISHMAN, Tracy M.	119	Hoolehua, Molokai
NAKAMURA, Kalena Chasity K.	3157	Waimanalo, Oahu
NAEOLE, Francis K.	110	Hoolehua, Molokai
SASADA, David F.	131	Hoolehua, Molokai

SASADA, Ronald M.	131	Hoolehua, Molokai
SASADA, Leif A.	131	Hoolehua, Molokai
WILSON, Lymey K.	1704	Waimanalo, Oahu

ITEM D-10 EXHIBIT

**APPROVAL TO ISSUE A NON-EXCLUSIVE LICENSE FOR ROOFTOP PHOTOVOLTAIC
SYSTEMS FOR CERTAIN LESSEES**

LESSEE	LEASE NO.	AREA
AMINA, Ada A.	3772	Nanakuli, Oahu
CARPENTER, Catherine R.	5501	Lualualei, Oahu
HASSARD, Erika	12752	Maluohai, Oahu
HUSSEY, Nathan M., III	11488	Lealii, Maui
KEOPUHIWA, Alisa-Lei K.	6794	Keaukaha, Hawaii
MAHOE, Cramer L. H.	1408-A	Keaukaha, Hawaii
MAHOE, Loushell L.	4460	Waianae, Oahu
PARK, Michael K.	12542	Lalamilo, Hawaii
PAULINE, Marsha L.	4796	Waiakea, Hawaii
RUFINO, Sherri-Ann L.	11939	Kaupea, Oahu
SACAY, Anna M.	9299	Kaniohale, Hawaii
SHELDON, Douglas K., Sr.	12748	Maluohai, Oahu
SINCLAIR, Ethel P.	8648	Waianae, Oahu
SOLOMON, Mark K.	8174	Waimanalo, Oahu
SOUZA, Leona L.	11284	Kumuhau, Oahu
YOUNG, Charlotte P.	4489	Nanakuli, Oahu

ITEM F-1 EXHIBIT

**ANNUAL RENEWAL OF RIGHT OF ENTRY PERMITS, EAST, CENTRAL AND SOUTH
HAWAII ISLAND**

NO.	ACRE	USE	PERMITTEE	LOCATION	TMK	Date Started
465	280.00	Pastoral	Gilbert Medeiros, Jr.	Kamaoa-Puueo	(3) 9-3-001:002(P)	2/9/1998
473	2250.00	Pastoral	Dean Kaniho	Kamaoa-Puueo	(3) 9-3-001:002(P)	7/15/2004
477	2.00	Agricultural	Guy Kaniho	Humu'ula	(3) 3-8-001:007(P)	2/26/2007
478	300.00	Pastoral	April Awana-Mattos	Honomu	(3) 2-8-011:011 (p)	2/1/2010
481	2.21	Landscape	Ginger Patch Center	Waiakea	(3) 2-2-060:001	8/2/2010
482	1.00	Community	Keaukaha Panaewa Farmers Association	Panaewa	(3) 2-1-025:091 (p)	2/1/2011
610	5000.00	Pastoral	Native Hawaiian General Services	Kamaoa-Puueo	(3) 9-3-001:002(P)	6/1/2004
467	326.76	Pastoral	Parnel Hanoa	Waiohinu	(3) 9-5-019:016 & 9-5-005:002	1/26/2000
692	0.620	Commercial	Connect Point Church	Waiakea	(3) 2-2-060:049	11/18/2019
716	300.00	Caretaker	Malama Ka'Aina Hana Ka'Aina, Inc.	Keaukaha	(3) 2-1-013:001 (p)	10/1/2022

* Denotes Beneficiary

**HAWAIIAN HOMES COMMISSION
SEPTEMBER 18 & 19, 2023**

**C – ITEMS
OFFICE OF THE CHAIRMAN**

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Hokulei Lindsey, Administrative Rules Officer *Hokulei Lindsey*
Lehua Kinilau-Cano, NAHASDA Government Relations Program Manager *Lehua Kinilau-Cano*
Juan Garcia, HSD Administrator *Juan Garcia*
Staff to the HHC Permitted Interaction Group Appointed to Study and Recommend Strategies Related to Fairness in Lease Transfers

SUBJECT: Adoption of Recommendation of the Permitted Interaction Group, Appointed Pursuant to HRS 92-2.5 and HRS 10-2-16(b)(1), to Study and Recommend Strategies Related to Fairness in Lease Transfers

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission adopt the recommendation of the permitted interaction group that the Department collect specific data about lease transfers using the following three criteria identified as common to lease transfers that raise questions of fairness:

1. Buyer is a previous lessee;
2. Transaction is a sale;
3. Buyer is not a qualified family member under HHCA section 209.

DISCUSSION:

At the March 2023 regular meeting of the Hawaiian Homes Commission, the Chairman duly appointed an investigative committee to study and recommend strategies related to fairness in lease transfers. The committee members were commissioners Patty Teruya and Zachery Helm with Commissioner Dennis Neves to serve as chair of the committee. The committee met four times and arrived at a recommendation for the Commission's consideration. At the August 2023 regular meeting, the committee's report and recommendation was submitted for the Commission's information, as required by section 92-2.5, HRS.

Over the course of the committee's meetings, staff presented information related to the various types of lease transactions and provided an overview of legislative interest in the specific issue of lessees profiting from lease transfers and then reapplying for a subsequent lease. Although some lessees transfer leases for personal gain, existing data indicates that reapplying after transferring a lease is a rarity. In 2020, the Department conducted a study and reported to the Legislature that a small number of lessees (176) transferred their lease for a fee or other personal gain and then applied for a subsequent Hawaiian Home Lands lease. Staff also noted that Section 208(5) of the Hawaiian Homes Commission Act (Act) provides in relevant part that,

“the lessee shall not in any manner transfer to, or otherwise hold for the benefit of, any other person or group of persons or organizations of any kind, except a native Hawaiian or Hawaiians, *and then only upon the approval of the department*, or agree so to transfer, or otherwise hold, the lessee’s interest in the tract to the following qualified relatives of the lessees who are at least one-quarter Hawaiian: husband, wife, child, or grandchild.” (emphasis added).

It is the practice of the Department to bring all decision-making related to lease transfers to the Commission for approval. The committee discussed several specific aspects of lease transfers, including when a buyer is a previous lessee, the lease transfer transaction is for cash, and the lease sale/transfer is to a non-familial relation.

It appears lease transfers that implicate questions of fairness tend to have common characteristics. Three characteristics were considered as being key to identifying unfairness in lessee transactions:

1. Buyer is a previous lessee;
2. Transaction is a sale;
3. Buyer is not a qualified family member under HHCA section 209.

The committee believes that using these criteria to establish an internal process whereby transactions meeting all three criteria would be considered by the Commission as an individual agenda item rather than part of the consent agenda may lead to the development of an administrative rule that can curb unfair lessee transactions.


RECOMMENDATION:

That the Commission adopt the motion as stated above and the Department report findings to the Commission in eight months.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023

To: Chairman and Members, Hawaiian Homes Commission

From: Oriana Leao, NAHASDA Government Relations Program Specialist 

Subject: Approval of 2024 Legislative Proposals

RECOMMENDED ACTION/MOTION:

That the Hawaiian Homes Commission approve the legislative proposals to be recommended for inclusion in the Administration's legislative package for the 2024 Regular Session.

DISCUSSION

The Department of Hawaiian Home Lands has prepared draft legislative proposals to be recommended for inclusion in the next Administration's legislative package. The draft legislative proposals are currently under review by the Department of the Attorney General, the Department of Budget & Finance, and the Governor. The proposals are pending final approval and no proposal is considered part of the package until final approval is granted. In this phase of the review process, the department may amend or withdraw measures.

The department solicited recommendations for legislative proposals and received 23 proposals. Here's a summary of the proposals:

Issue	Submitted by	Result
GEOTHERMAL		
Funding for Geothermal research	Chair	Included
Funding for Geothermal research	Commissioner	Included
REPRESENTATION ON CWRM		
Add HHC Chair or Chair's designee to Commission on Water Resource Management	Chair	Included
Add HHC Chair or Chair's designee to Commission on Water Resource Management	Beneficiary	Included
HHCA BLOOD QUANTUM REQUIREMENT		
Direct descendant successorship. Waiting list preference for purchase of leases.	Beneficiary	More review

Petition Congress to amend the HHCA blood quantum requirement to 1/32 for successorship to leases	Beneficiary	Resolution Passed as SCR 104, SD1, HD1
LEGISLATION REINTRODUCED		
<p>Independent Legal Counsel</p> <p>Allow the Hawaiian Homes Commission to retain independent legal counsel to be paid by the State and use the services of the attorney general as needed when the interests of the State and the Hawaiian Homes Commission are aligned</p>	Staff	Included
<p>Housing</p> <p>Exemption from General Excise and Use Taxes for DHHL</p>	Chair	Included
<p>Historic Preservation Reviews</p> <p>Allow the Department of Hawaiian Home Lands to assume review of the effect of any proposed project on historic properties or burial sites for lands under its jurisdiction</p>	Staff	Included
<p>School Impact Fees</p> <p>Repeal the July 1, 2024, sunset of Act 197, Session Laws of Hawaii 2021, to make permanent the exclusion of housing developed by the Department of Hawaiian Home Lands from school impact fees</p>	Staff	Included
<p>Department of Hawaiian Home Lands</p> <p>Allow for the expenditure of funds appropriated in Act 279, Session Laws of Hawaii 2022 until June 30, 2025</p>	Staff	Included
LENDING AND LOANS		
Provide creative lending opportunities for current lessees to improve and renovate their homes through proper partnerships established with private lenders and other investors	Lessee	More review
Ensure access to conventional loans for beneficiaries. Amend HHCA to remove Private Mortgage Insurance (PMI) requirement for loan with a LTV (loan to value) of 80% or less	Lessee	More review

Create a Corporate Relocation Program that assist beneficiaries in relocating and allows them to sell their home and optionally qualify for a new lease. Ensure access to equity of the home for beneficiaries. Implement a relocation program that allows the lessee to sell their current home and be offered a new lease at their destination. If the home does not sell within 90 days, DHHL would purchase it at fair market value, allowing the lessee to find new housing, whether on HHL or fee simple.	Lessee	More review Request for amendment to Administrative Rule 10-3-7 – PRIORITY AND PREFERENCE FOR AWARD OF LEASES
Strike the Lender of Last Resort Administrative Rule	Staff	Does not require legislation Request for amendment to Administrative Rule
Remove or increase FHA $\frac{1}{2}$ limit to $\frac{3}{4}$ in the Hawaiian Homes Commission Act	Staff	Included
Increase allowable loan term to 38 years to align with USDA Section 502 Direct Loan Program for very-low-income households	Staff	Included
OTHER		
Add HHC Chair or Chair's designee to Hawaii Housing Finance and Development Corporation	Chair	Included
Add HHC Chair or Chair's designee to Hawaii Community Development Authority	Chair	Included
Create DHHL Compliance Unit	Commissioner	More review
Request time extension for encumbrance of funds appropriated in Act 279	Commissioner	More review
Offer leases to designated successors of applicants who died while on the DHHL waiting list	Beneficiary	More review
Funding to extend potable water pipeline from Kawaihae Industrial area to Kailapa	Lessee	Sufficient Sums Request
Kailapa Community Association request for funding sources: 1) funds for potable water access and transmission -at least \$25 million 2) funds to construct an evacuation plan and construction of an access road for Kailapa subdivision -	Lessee	Sufficient Sums Request

<p>at least \$20 million. This subdivision is located between 2 gulches.</p> <p>3) funds to extend community center building and provide adequate parking spaces.</p> <p>4) funds to construct a kupuna housing complex in Kawaihae.</p>		
Funding to develop in Lahaina Leiali'i 1B residential. A matching down payment program.	Applicant	Sufficient Sums Request
Construct a safety and privacy, tile wall for Kānehili Community Park. This proposal will correct a deficiency by removing the replacement chain link fencing, for a safer type of protective barrier.	Lessee	Sufficient Sums Request
<p>Medical Cannabis</p> <p>Resolution submitted on behalf of medical cannabis beneficiaries-</p> <p>WHEREAS, the State of Hawaii exercised its constitutional authority over the intrastate use of cannabis when it created Hawaii's Medical Cannabis Program in 2000; and,</p> <p>WHEREAS, registered medical cannabis patients, who are Hawaiian Home Lands beneficiaries, can possess cannabis for personal medical use on Hawaiian Homes Lands under state law; and,</p> <p>WHEREAS, the Department of Hawaiian Home Lands issued its first guidance on medical cannabis in November, 2021, stating that even if beneficiaries are following state law they can still be subjected to federal prosecution because cannabis is federally illegal; and,</p> <p>WHEREAS, the department's guidance on medical cannabis has created a chilling effect among homestead lessees who fear they could lose their homestead lease if they are caught using cannabis on Hawaiian Home Lands; and,</p>	Public	More review

WHEREAS, solutions already exist for the federal situation with cannabis in Hawaii, such as HCR132 (2021), which currently sits with DOH; now, therefore, BE IT RESOLVED by the Hawaiian Home Lands Commission, that the Governor of Hawaii is hereby respectfully requested to utilize 21 USC 822(d) of the federal Controlled Substances Act to create a source of cannabis in Hawaii that is legal under state and federal law to provide temporary relief until Congress can end the federally illegal status of cannabis.		
Increase funding for additional staff or technological resources to manage the beneficiary database with fairness, consistency, and security measures to prevent data manipulation	Lessee	Sufficient Sums Request
Identify and define HBA and HA to be in alignment of 43 CFR Part 47 and 48 as defined during the Obama Administration in 2016. Section 201.6 of the HHCA describes Community based governance on Hawaiian Home Lands, but DHHL has stated that this section of the act needs the consent of Congress. We need to adopt the definitions as already codified in the Code of Federal Regulations for consistency on the State level so that all of our existing HBAs and HAs are defined.	Beneficiary	More Review

After considering the responses received, the summary of the twelve (12) draft legislative proposals are presented below and the actual draft of the bills and justification sheets are enclosed in Exhibit 'A'.

PROPOSAL SUMMARIES

Proposal HHL-01(24)

RELATING TO INDEPENDENT LEGAL COUNSEL

This proposal allows the Hawaiian Homes Commission to retain independent legal counsel to be paid by the State and use the services of the attorney general as needed when the interests of the State and the Hawaiian Homes Commission are aligned.

The Hawaiian Homes Commission has a trust duty to its beneficiaries and in the fulfillment of its trust obligations, the Hawaiian Homes Commission may at times be at odds with the interests of the State. It is at these times that the Hawaiian Homes Commission must be assured that its counsel provides legal guidance strictly in the interest of its client. Independent counsel that is hired and retained by the Hawaiian Homes Commission eliminates any cloud of uncertainty that there is a conflict of interest that the Hawaiian Homes Commission is represented by the Attorney General's office that also represents the State.

This measure has not been part of the Administration's legislative package but a similar measure has been introduced by several legislators over past years and has not passed.

Proposal HHL-02(24)

RELATING TO THE COMMISSION ON WATER RESOURCE MANAGEMENT

This proposal adds the Chair of the Hawaiian Homes Commission or the Chair's designee to the Commission on Water Resource Management.

The Water Code requires that planning decisions of the Commission on Water Resource Management ensure that sufficient water remain available for current and foreseeable development and use of Hawaiian Home Lands. To further the interest of beneficiaries, the Chair of the Hawaiian Homes Commission or the Chair's designee should serve as an ex officio voting member of the Commission on Water Resource Management.

This measure has not been part of the Administration's legislative package but has been introduced and has not passed.

Proposal HHL-03(24)

RELATING TO HOUSING

This proposal exempts any development of homestead lots or housing for the Department of Hawaiian Home Lands from general excise and use taxes.

The Department provides homesteads for native Hawaiians at affordable rates when compared to similar development available in Hawaii. In order to further the interest of beneficiaries, any development of homestead lots or housing for the Department should be exempt from general excise and use taxes.

This measure was included in the Administration's legislative package but has not passed.

Proposal HHL-04(24)

RELATING TO HISTORIC PRESERVATION REVIEWS

This proposal allows the Department of Hawaiian Home Lands to assume review of the effect of any proposed project on historic properties or burial sites for lands under its jurisdiction.

Instead of requiring the Department of Hawaiian Home Lands to consult with the Department of Land and Natural Resources regarding the effect of a project upon historic properties or burial sites, this proposal would streamline the process by allowing the Department of Hawaiian Home Lands to assume this review .

This measure was included in the Administration's legislative package but has not passed.

Proposal HHL-05(24)

*RELATING TO COMPLIANCE ON HAWAIIAN HOME LANDS - **WITHDRAWN***

This proposal establishes a compliance and enforcement program within the Department to investigate complaints, conduct investigations, and cooperate with enforcement authorities to ensure compliance with the Hawaiian Homes Commission Act, 1920, as amended and rules adopted thereunder as well as all other state laws and rules, and county ordinances on Hawaiian Home Lands.

Illegal activity occurring on Hawaiian Home Lands threatens the health and safety of the community, this proposal is modeled after HRS Chapter 199 (Conservation and Resources Enforcement Program) to respond to the concerns raised by beneficiaries about criminal activity impacting the community.

Proposal HHL-06(24)

RELATING TO SCHOOL IMPACT FEES

This proposal repeals the July 1, 2024, sunset of Act 197, Session Laws of Hawaii 2021, to make permanent the exclusion of housing developed by the Department of Hawaiian Home Lands from school impact fees.

The Department of Hawaiian Home Lands currently leases educational facilities for public schools, public charter schools, early learning facilities, and other similar facilities at minimal to no cost. By making permanent the exemption of the Department of Hawaiian Home Lands from school impact fees, the savings can be allocated toward developing more housing.

This measure was included in the Administration's legislative package but has not passed.

Proposal HHL-07(24)

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

This proposal allows for the expenditure of funds appropriated in Act 279, Session Laws of Hawaii 2022 until June 30, 2025.

The Legislature intended that the funds appropriated in Act 279, Session Laws of Hawaii 2022, be available for expenditure until June 30, 2025. This proposal confirms the legislative intent.

This measure has not been part of the Administration's legislative package but has been introduced and has not passed.

Proposal HHL-08(24)

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

This proposal requests an appropriation of \$6,000,000 dollars for the next steps in the investigation, exploration and identification of geothermal resources on Hawaiian Home Lands.

To build upon the initial funding provided in Act 205, Session Laws of Hawaii 2022, this proposal will allow the Department of Hawaiian Home Lands to further investigate, explore, and identify geothermal resources on Hawaiian Home Lands as these resources may be used for the generation, transmission, or production of electricity and renewable energy resources, including but not limited to hydrogen generation.

Proposal HHL-09(24)

RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

This proposal adds the Chair of the Hawaiian Homes Commission or the Chair's designee to the Hawaii Housing Finance and Development Corporation.

The Hawaii Housing Finance and Development Corporation is administratively attached to the Department of Business, Economic Development and Tourism. The Hawaii Housing Finance and Development Corporation is governed by a nine-member Board of Directors which establishes policies and executive direction for the Corporation. This proposal would allow the Chair of the Hawaiian Homes Commission or the Chair's designee to have representation on the Board of Directors of the Hawaii Housing Finance and Development Corporation.

A similar measure was previously introduced by a legislator.

Proposal HHL-10(24)

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

This proposal adds the Chair of the Hawaiian Homes Commission or the Chair's designee to the Hawaii Community Development Authority.

The Hawaii Community Development Authority is a State agency that was established to supplement traditional community renewal methods by promoting and coordinating public and private sector community development. The 1976 State Legislature created the Hawaii Community Development Authority to plan development of underutilized urban areas of Hawaii. This proposal would allow the Chair of the Hawaiian Homes Commission or the Chair's designee to have representation on the Hawaii Community Development Authority.

Proposal HHL-11(24)

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT

This proposal increases the Federal Housing Administration loan limit to be seventy-five percent of the maximum single residence loan amount, instead of fifty percent, as currently outlined in Section 215 of the Hawaiian Homes Commission Act, 1920, as amended.

HHCA Section 215.1

"At any one time, the outstanding amount of loans made to any lessee, or successor or successors in interest, for the repair, maintenance, purchase, and erection of a dwelling and related permanent improvements shall not exceed fifty per cent of the maximum single residence loan amount allowed in Hawaii by the United States Department of Housing and Urban Development's Federal Housing Administration (FHA)."

Proposal HHL-12(24)

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT

This proposal increases the allowable loan term limit for Federal Housing Administration loans administered by the Department of Hawaiian Home Lands to be forty years, instead of

thirty years, as currently outlined in Section 215 of the Hawaiian Homes Commission Act, 1920, as amended.

HHCA Section 215.2

“The loans shall be repaid in periodic installments, such installments to be monthly, quarterly, semiannual, or annual as may be determined by the department in each case. The term of any loan shall not exceed thirty years.”

RECOMMENDED ACTION/MOTION:

Staff respectfully request approval of the motion as recommended.

EXHIBIT A

HHC Item C-2: Approval of 2024 Legislative Proposals

____.B. NO.____

A BILL FOR AN ACT

RELATING TO INDEPENDENT LEGAL COUNSEL.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Congress through the
2 Hawaiian Homes Commission Act, 1920, as amended (HHCA), set
3 aside lands to be used for the benefit of native Hawaiians. As
4 required by the Admission Act and as a compact with the United
5 States, the State of Hawaii and the people of Hawaii adopted the
6 HHCA as a provision of the Hawaii State Constitution and agreed
7 to faithfully carry out the spirit of the HHCA for the
8 rehabilitation of the Hawaiian race. These trust
9 responsibilities remain to this day.

10 Given this unique and significant history, the Hawaiian
11 homes commission should be allowed to retain independent legal
12 counsel. At the same time, the option of utilizing the services
13 of the attorney general as needed remains available.

14 The purpose of this Act is to allow the Hawaiian homes
15 commission to retain independent legal counsel.

16 SECTION 2. Section 28-8.3, Hawaii Revised Statutes, is
17 amended as follows:

18 (1) By amending subsection (a) to read as follows:

____.B. NO.____

1 "(a) No department of the State other than the attorney
2 general may employ or retain any attorney, by contract or
3 otherwise, for the purpose of representing the State or the
4 department in any litigation, rendering legal counsel to the
5 department, or drafting legal documents for the department;
6 provided that the foregoing provision shall not apply to the
7 employment or retention of attorneys:

8 (1) By the public utilities commission, the labor and
9 industrial relations appeals board, and the Hawaii
10 labor relations board;

11 (2) By any court or judicial or legislative office of the
12 State; provided that if the attorney general is
13 requested to provide representation to a court or
14 judicial office by the chief justice or the chief
15 justice's designee, or to a legislative office by the
16 speaker of the house of representatives and the
17 president of the senate jointly, and the attorney
18 general declines to provide such representation on the
19 grounds of conflict of interest, the attorney general
20 shall retain an attorney for the court, judicial, or
21 legislative office, subject to approval by the court,
22 judicial, or legislative office;

____.B. NO.____

- 1 (3) By the legislative reference bureau;
- 2 (4) By any compilation commission that may be constituted
- 3 from time to time;
- 4 (5) By the real estate commission for any action involving
- 5 the real estate recovery fund;
- 6 (6) By the contractors license board for any action
- 7 involving the contractors recovery fund;
- 8 (7) By the office of Hawaiian affairs;
- 9 (8) By the department of commerce and consumer affairs for
- 10 the enforcement of violations of chapters 480 and
- 11 485A;
- 12 (9) As grand jury counsel;
- 13 (10) By the Hawaii health systems corporation, or its
- 14 regional system boards, or any of their facilities;
- 15 (11) By the auditor;
- 16 (12) By the office of ombudsman;
- 17 (13) By the insurance division;
- 18 (14) By the University of Hawaii;
- 19 (15) By the Kahoolawe island reserve commission;
- 20 (16) By the division of consumer advocacy;
- 21 (17) By the office of elections;
- 22 (18) By the campaign spending commission;

____.B. NO.____

(19) By the Hawaii tourism authority, as provided in
section 201B-2.5;

(20) By the division of financial institutions;

(21) By the office of information practices;

(22) By the school facilities authority; ~~[or]~~

(23) By the Hawaiian homes commission; provided that:

(A) The Hawaiian homes commission may use the
services of the attorney general as needed; and

(B) Legal fees owed to independent counsel shall be
paid by the State; or

~~[+23+]~~ (24) By a department, if the attorney general, for
reasons deemed by the attorney general to be good and
sufficient, declines to employ or retain an attorney
for a department; provided that the governor waives
the provision of this section."

(2) By amending subsection (c) to read as follows:

"(c) Every attorney employed by any department on a full-
time basis, except an attorney employed by the public utilities
commission, the labor and industrial relations appeals board,
the Hawaii labor relations board, the office of Hawaiian
affairs, the Hawaii health systems corporation or its regional
system boards, the department of commerce and consumer affairs

____.B. NO.____

1 in prosecution of consumer complaints, insurance division, the
2 division of consumer advocacy, the University of Hawaii, the
3 Hawaii tourism authority as provided in section 201B-2.5, the
4 office of information practices, the Hawaiian homes commission,
5 or as grand jury counsel, shall be a deputy attorney general."

6 SECTION 3. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 4. This Act shall take effect upon its approval.

9

10 INTRODUCED BY:_____

11

BY REQUEST

____.B. NO.____

Report Title:

Hawaiian Homes Commission; Independent Legal Counsel

Description:

Allows the Hawaiian Homes Commission to retain independent legal counsel. Authorizes the Hawaiian Homes Commission to use the services of the Attorney General as needed. Provides that funds owed to independent legal counsel shall be paid by the State.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO INDEPENDENT
LEGAL COUNSEL.

PURPOSE: To allow the Hawaiian Homes Commission to
retain independent legal counsel to be
paid by the State and also use the
services of the Attorney General as
needed.

MEANS: Amend section 28-8.3(a) and (c), Hawaii
Revised Statutes.

JUSTIFICATION: The Hawaiian Homes Commission has a trust
duty to its beneficiaries and in the
fulfillment of its trust obligations, the
Hawaiian Homes Commission may at times be at
odds with the interests of the State. It is
at these times that the Hawaiian Homes
Commission must be assured that its counsel
provides legal guidance strictly in the
interest of its client. Independent counsel
that is hired and retained by the Hawaiian
Homes Commission eliminates any cloud of
uncertainty that there is a conflict of
interest that the Hawaiian Homes Commission
is represented by the Department of the
Attorney General that also represents the
State of Hawaii.

Impact on the public: This proposal further
protects the interest of beneficiaries of
the Hawaiian Homes Commission Act, 1920, as
amended, by allowing the Hawaiian Homes
Commission to retain independent legal
counsel.

Impact on the department and other agencies:
This proposal could reduce the legal
services provided by the Department of the
Attorney General.

GENERAL FUND: \$500,000.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: HHL 625.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO THE COMMISSION ON WATER RESOURCE MANAGEMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that section 174C-101(a),
2 Hawaii Revised Statutes, requires decisions of the commission on
3 water resource management to incorporate and protect adequate
4 reserves of water for current and foreseeable development and
5 use of Hawaiian home lands. The purpose of this Act is to add
6 the chair of the Hawaiian homes commission, or the chair's
7 designee, to the commission on water resource management in a
8 similar ex officio membership as the director of health or the
9 director's designee.

10 SECTION 2. Section 174C-7, Hawaii Revised Statutes, is
11 amended by amending subsections (a) and (b) to read as follows:

12 "(a) There is established within the department a
13 commission on water resource management consisting of [~~seven~~
14 eight members which shall have exclusive jurisdiction and final
15 authority in all matters relating to implementation and
16 administration of the state water code, except as otherwise
17 specifically provided in this chapter.

____.B. NO.____

Report Title:

Commission on Water Resource Management; Membership

Description:

Adds the Chair of the Hawaiian Homes Commission or the Chair's designee to the Commission on Water Resource Management.

Increases number of commission members from seven to eight, with only five of eight required to have substantial experience in water resource management.

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JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO THE COMMISSION ON WATER RESOURCE MANAGEMENT.

PURPOSE: To add the Chair of the Hawaiian Homes Commission or the Chair's designee to the Commission on Water Resource Management.

MEANS: Amend section 174C-7(a) and (b), Hawaii Revised Statutes (HRS).

JUSTIFICATION: The State Water Code requires that decisions of the Commission on Water Resource Management incorporate and protect adequate reserves of water for current and foreseeable development and use of Hawaiian Home Lands. Allowing the Chair of the Hawaiian Homes Commission or the Chair's designee to serve on the Commission on Water Resource Management, would provide an opportunity for the Chair or the Chair's designee to participate in setting policies, defining uses, and establishing priorities and procedures over land-based surface water and ground water resources, which are key components of the development and use of Hawaiian Home Lands.

Clarifies in section 174C-7(b), HRS, that only five water commission members selected by the Governor must have substantial experience in the area of water resource management.

Impact on the public: This bill protects the interests of beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended, by allowing the Chair of the Hawaiian Homes Commission or the Chair's designated representative to serve as an ex officio voting member of the Commission on Water Resource Management.

Impact on the department and other agencies:

An additional member would serve on the
Commission on Water Resource Management.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: HHL 625.

OTHER AFFECTED
AGENCIES: Commission on Water Resource Management.

EFFECTIVE DATE: Upon approval.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO HOUSING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that homestead lots or
2 housing developed for the department of Hawaiian home lands
3 awarded to native Hawaiians are offered at affordable rates when
4 compared to similar housing opportunities available in Hawaii.
5 The purpose of this Act is to exempt any development of
6 homestead lots or housing for the department of Hawaiian home
7 lands from general excise and use taxes.

8 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 "§237- Exemptions for any development of homestead lots
12 or housing for the department of Hawaiian home lands. (a) Any
13 amounts related to planning, design, financing, or construction
14 activities conducted by a qualified person or firm for a new
15 construction, moderate rehabilitation, or substantial
16 rehabilitation project for homestead lots or housing for the
17 department of Hawaiian home lands shall be exempted from the tax
18 imposed by this chapter. The project may also be developed:

____.B. NO.____

1 (1) Under a government assistance program approved by the
2 department of Hawaiian home lands;

3 (2) Under the sponsorship of a nonprofit organization
4 providing home rehabilitation or new homes on Hawaiian
5 home lands for qualified families in need of decent,
6 low-cost housing; or

7 (3) To provide affordable rental housing where at least
8 fifty per cent of the available units are for
9 households with incomes at or below eighty per cent of
10 the area median family income as determined by the
11 United States Department of Housing and Urban
12 Development.

13 (b) All claims for exemption under this section shall be
14 filed with and certified by the department of Hawaiian home
15 lands and forwarded to the department of taxation by the
16 claimant. Any claim for exemption that is filed and approved
17 shall not be considered a subsidy.

18 (c) The department of Hawaiian home lands may establish,
19 revise, charge, and collect a reasonable service fee in
20 connection with its approvals and certifications of the
21 exemption under this section. The fees shall be deposited into

____.B. NO.____

the Hawaiian home operating fund pursuant to section 213(e) of
the Hawaiian Homes Commission Act, 1920, as amended.

(d) For purposes of this section:

"Homestead lot" means a lot of residential, agricultural,
or pastoral use to be awarded pursuant to the Hawaiian Homes
Commission Act, 1920, as amended, including but not limited to
on- and off-site infrastructure requirements, appurtenances, and
dwelling units.

"Moderate rehabilitation" shall have the same meaning at
defined in section 201H-36.

"Qualified person or firm" means any individual,
partnership, joint venture, corporation, association, limited
liability partnership, limited liability company, business,
trust, or any organized group of persons or legal entities, or
any combination thereof, that possesses all professional or
vocational licenses necessary to do business in the State.

"Substantial rehabilitation" shall have the same meaning as
defined in section 201H-36."

SECTION 3. Section 238-3, Hawaii Revised Statutes, is
amended by amending subsection (j) to read as follows:

10

BY REQUEST

____.B. NO.____

Report Title:

Department of Hawaiian Home Lands; General Excise Tax Exemption;
Use Tax Exemption

Description:

Exempts any development of homestead lots or housing for the
Department of Hawaiian Home Lands from general excise and use
taxes.

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not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO HOUSING.

PURPOSE: To exempt any development of homestead lots or housing for the Department of Hawaiian Home Lands from general excise and use taxes.

MEANS: Add a new section to chapter 237 and amend section 238-3(j), Hawaii Revised Statutes.

JUSTIFICATION: The savings resulting from the exemption from general excise and use taxes that the Department of Hawaiian Home Lands can potentially accrue from this measure would be applied to the development of additional housing and associated infrastructure. This additional saving would allow the Department to more fully commit the funding received toward its mission, development of more homestead lots or housing units for beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended.

Impact on the public: This bill further protects the interest of beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended, by exempting any development of homestead lots or housing for the Department of Hawaiian Home Lands from general excise and use taxes.

Impact on the department and other agencies: More funding could be allocated toward the development of homestead lots or housing.

GENERAL FUND: \$1,000,000 is the estimated amount of lost tax revenue.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: HHL 625.

OTHER AFFECTED
AGENCIES:

Department of Taxation and Department of
Budget and Finance.

EFFECTIVE DATE:

January 1, 2025.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO HISTORIC PRESERVATION REVIEWS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that section 6E-8, Hawaii
2 Revised Statutes, plays an important role in the protection and
3 management of the State's historic properties and burial sites.
4 Section 6E-8(b) requires the department of Hawaiian home lands,
5 prior to any proposed project relating to lands under its
6 jurisdiction, to consult with the department of land and natural
7 resources regarding the effect of the project upon historic
8 property or a burial site. The purpose of this Act is to allow
9 the department of Hawaiian home lands to assume review of the
10 effect of any proposed project on historic properties or burial
11 sites for lands under its jurisdiction.

12 SECTION 2. Section 6E-8, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) [The] Notwithstanding subsection (a), the department
15 of Hawaiian home lands~~[, prior to]~~ may assume review of any
16 proposed project relating to lands under its jurisdiction~~[,~~
17 ~~shall consult with the department regarding the effect of the~~
18 ~~project upon historic property or a burial site.]~~ pursuant to

____.B. NO.____

this section, and pursuant to any administrative rule adopted
thereunder; provided that the department of Hawaiian home lands
shall:

(1) Designate the review to a Hawaiian home lands
preservation officer who has professional competence
and experience in the field of historic preservation;
and

(2) Ensure that copies of all reports, maps, and
documents, including those reflecting the Hawaiian
home lands preservation official's comments,
recommendations, and decisions, are provided to the
department to be incorporated into the historic
preservation digital document management system and
library.

The department shall retain authority for review under this
section for projects affecting properties listed or nominated
for inclusion in the Hawaii register of historic places or the
national register of historic places."

SECTION 3. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

2

4

HHL-04(24)

____.B. NO.____

Report Title:

Historic Preservation; Department of Hawaiian Home Lands;
Project Reviews of Proposed State Projects

Description:

Allows the Department of Hawaiian Home Lands to assume historic preservation review of the effect of any proposed project for lands under its jurisdiction except for projects affecting properties listed or nominated for inclusion in the Hawaii register of historic places or the national register of historic places.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION REVIEWS.

PURPOSE: To allow the Department of Hawaiian Home Lands to assume review of the effect of any proposed project for lands under its jurisdiction except for projects affecting properties listed or nominated for inclusion in the Hawaii register of historic places or the national register of historic places.

MEANS: Amend section 6E-8(b), Hawaii Revised Statutes.

JUSTIFICATION: Instead of requiring the Department of Hawaiian Home Lands to consult with the Department of Land and Natural Resources regarding the effect of a project upon historic properties or burial sites, this bill would streamline the process by allowing the Department of Hawaiian Home Lands to assume this review, which would allow for the ability to expedite the construction of proposed projects.

Impact on the public: This bill advances the interest of beneficiaries of the Hawaiian Homes Commission Act 1920, as amended, by streamlining the review process for any proposed project on Hawaiian Home Lands.

Impact on the department and other agencies: The Department of Hawaiian Home Lands would assume this function for lands under its jurisdiction freeing up those resources for the Department of Land and Natural Resources to service other agencies.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM

DESIGNATION: HHL 625.

OTHER AFFECTED

AGENCIES: Department of Land and Natural Resources.

EFFECTIVE DATE: Upon approval.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO COMPLIANCE ON HAWAIIAN HOME LANDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that illegal activity occurring on Hawaiian home lands threatens the health and safety of the community. The purpose of this Act is to establish a compliance and enforcement program within the department of Hawaiian home lands to investigate complaints, conduct investigations, and cooperate with enforcement authorities to ensure compliance with state law, including the Hawaiian Homes Commission Act, 1920, as amended, and the rules adopted thereunder, as well as all other state laws and rules and county ordinances on Hawaiian home lands.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

"CHAPTER

COMPLIANCE ON HAWAIIAN HOME LANDS

§ -1 **Compliance and enforcement program on Hawaiian home lands; established.** The department of Hawaiian home lands shall establish a compliance and enforcement program on Hawaiian home

1 lands to enforce state laws and rules, and county ordinances on
2 Hawaiian home lands and shall employ or appoint, and remove, the
3 following persons, subject to chapter 76 and section 78-1,
4 Hawaii Revised Statutes, who shall be provided with suitable
5 badges or insignia of office by the department of Hawaiian home
6 lands:

7 (1) An enforcement chief of the department of Hawaiian
8 home lands, who shall be the head of the compliance
9 and enforcement program and shall have charge,
10 direction, and control, subject to the direction and
11 control of the chair of the Hawaiian homes commission,
12 of all matters relating to compliance with the
13 Hawaiian Homes Commission Act, 1920, as amended and
14 rules adopted thereunder as well as all other state
15 laws and rules, and county ordinances on Hawaiian home
16 lands and such other matters as the chair of the
17 Hawaiian homes commission may from time to time
18 direct. The enforcement chief shall be an
19 administrator experienced in law enforcement and
20 management; and

21 (2) Personnel and enforcement officers of the compliance
22 and enforcement program on Hawaiian home lands,
23 including but not limited to enforcement officers on a
24 voluntary basis and without pay.

1 § -2 Compliance and enforcement program on Hawaiian home
2 lands enforcement officers. (a) The compliance and enforcement
3 program on Hawaiian home lands enforcement officers, with
4 respect to all Hawaiian home lands shall:

- 5 (1) Investigate complaints, gather evidence, conduct
6 investigations, and conduct field observations and
7 inspections as required or assigned;
- 8 (2) Cooperate with enforcement authorities of the State,
9 counties, and federal government in development of
10 programs and mutual aid agreements for compliance and
11 enforcement activities on Hawaiian home lands;
- 12 (3) Cooperate with established search and rescue agencies
13 of the counties and the federal government in
14 developing plans and programs and mutual aid
15 agreements for search and rescue activities on
16 Hawaiian home lands;
- 17 (4) Check and verify all homestead leases, general leases,
18 permits, and licenses and all other land dispositions
19 issued by the department of Hawaiian home lands;
- 20 (5) Enforce the laws relating to firearms, ammunition, and
21 dangerous weapons contained in chapter 134; and
- 22 (6) Carry out other duties and responsibilities as the
23 department of Hawaiian home lands from time to time
24 may direct.

1 **§ -3 Department of Hawaiian home lands; police powers.**

2 (a) The Hawaiian homes commission shall have police powers.

3 The chair of the Hawaiian homes commission may appoint and
4 commission enforcement officers within the compliance and
5 enforcement program on Hawaiian home lands. Persons appointed
6 and commissioned under this section shall have and may exercise
7 all of the powers and authority of a police officer, including
8 the power of arrest, and may enforce all state laws and rules,
9 and county ordinances on Hawaiian home lands; provided that such
10 powers shall remain in force and effect only while in actual
11 performance of their duties, which shall include off-duty
12 employment when such employment is for other state departments
13 or agencies. These enforcement officers shall consist of
14 personnel whose primary duty will be the enforcement of state
15 and local laws on Hawaiian home lands and to carry out work
16 related to compliance with Hawaiian home lands leases and
17 permits, and other requirements.

18 **§ D Rules.** The department of Hawaiian home lands may
19 promulgate rules and regulations, pursuant to chapter 91,
20 necessary for administration of this chapter."

21 SECTION 3. There is appropriated out of the general
22 revenues of the State of Hawaii the sum of \$500,000 or so much
23 thereof as may be necessary for fiscal year 2024-2025 for the
24 compliance and enforcement program on Hawaiian home lands.

1 The sums appropriated shall be expended by the department
2 of Hawaiian home lands for the purposes of this Act.

3 SECTION 4. This Act shall take effect upon its approval.

4

5 INTRODUCED BY: _____

6

BY REQUEST

INTENDED DRAFT

____.B. NO.____

Report Title:

Compliance and Enforcement; Hawaiian Home Lands

Description:

Establishes a compliance and enforcement program within the Department of Hawaiian Home Lands to investigate complaints, conduct investigations, and cooperate with enforcement authorities to ensure compliance with all state laws and rules, and county ordinances on Hawaiian Home Lands.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO COMPLIANCE ON HAWAIIAN HOME LANDS.

PURPOSE: To establish a compliance and enforcement program within the Department of Hawaiian Home Lands to investigate complaints, conduct investigations, and cooperate with enforcement authorities to ensure compliance with the Hawaiian Homes Commission Act, 1920, as amended, and rules adopted thereunder as well as all other state laws and rules, and county ordinances on Hawaiian home lands.

MEANS: Add a new chapter to the Hawaii Revised Statutes.

JUSTIFICATION: Criminal activity that is threatening the health and safety of the community must be addressed. The establishment of a compliance program within the Department of Hawaiian Home Lands will help to ensure responsive action is taken to address the noted concerns.

Impact on the public: This proposal protects the health and safety of communities.

Impact on the department and other agencies: Additional resources will be needed to implement this program.

GENERAL FUND: \$500,000.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: HHL 625.

OTHER AFFECTED AGENCIES: Department of Budget and Finance and Department of Law Enforcement.

EFFECTIVE DATE: Upon approval.

WITHDRAWN

____.B. NO.____

A BILL FOR AN ACT

RELATING TO SCHOOL IMPACT FEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that exempting housing
2 developed by the department of Hawaiian home lands from school
3 impact fees allows for more homes to be developed for
4 beneficiaries. The department of Hawaiian home lands currently
5 leases educational facilities for public schools, public charter
6 schools, early learning facilities, and other similar facilities
7 at minimal to no cost. The purpose of this Act is to make
8 permanent the exemption of housing developed by the department
9 of Hawaiian home lands from school impact fees.

10 SECTION 2. Act 197, Session Laws of Hawaii 2021, is
11 amended by amending section 6 to read as follows:

12 "SECTION 6. This Act shall take effect upon its approval[+
13 ~~provided that on July 1, 2024, section 1 of this Act shall be~~
14 ~~repealed and section 302A-1603(b), Hawaii Revised Statutes,~~
15 ~~shall be reenacted in the form in which it read on the day prior~~
16 ~~to the effective date of this Act]."~~

17 SECTION 2. Statutory material to be repealed is bracketed
18 and stricken.

____.B. NO.____

1 SECTION 3. This Act shall take effect upon its approval.

2

3 INTRODUCED BY:_____

4 BY REQUEST

____.B. NO.____

Report Title:

School Impact Fees; Housing; Department of Hawaiian Home Lands

Description:

Makes permanent Act 197, Session Laws of Hawaii 2021, which excludes housing developed by the Department of Hawaiian Home Lands from school impact fees.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO SCHOOL IMPACT FEES.

PURPOSE: Repeals the July 1, 2024, sunset date of Act 197, Session Laws of Hawaii 2021, to make permanent the exemption of housing developed by the Department of Hawaiian Home Lands from school impact fees.

MEANS: Amend section 6 of Act 197, Session Laws of Hawaii 2021.

JUSTIFICATION: Making permanent the exemption of housing developed by the Department of Hawaiian Home Lands from school impact fees because exempting housing developed by the Department of Hawaiian Home Lands from school impact fees allows for more homes to be developed for beneficiaries. The Department of Hawaiian Home Lands currently leases educational facilities for public schools, public charter schools, early learning facilities, and other similar facilities at minimal to no cost.

Impact on the public: This bill will protect the interests of beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended, by making permanent the exclusion of housing developed by the Department of Hawaiian Home Lands from school impact fees.

Impact on the department and other agencies: By exempting any housing developed by the Department of Hawaiian Home Lands from school impact fee requirements, that savings can be allocated toward developing more housing.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: HHL 602.

OTHER AFFECTED
AGENCIES: Department of Education and School
Facilities Authority.

EFFECTIVE DATE: Upon approval.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Act 279, Session
2 Laws of Hawaii 2022, appropriated out of the general revenues of
3 the State of Hawaii the sum of \$600,000,000 or so much thereof
4 as may be necessary for fiscal year 2021-2022 to provide a
5 multi-pronged approach to reducing the over 28,000 applicants on
6 the department of Hawaiian home lands waitlist.

7 The legislature further finds that Act 279, Session Laws of
8 Hawaii 2022, stipulated that any moneys not encumbered for
9 specific purposes shall lapse to the general fund on June 30,
10 2025. Article VII, section 11 of the State Constitution
11 provides that no appropriation shall be for a period exceeding
12 three years. This provision therefore permits the expenditure
13 of biennial appropriations one year beyond the biennial period,
14 so no later than June 30, 2024, for the fiscal biennium 2021-
15 2023. Accordingly, the purpose of this Act is to allow for the
16 expenditure of these funds until June 30, 2025, as provided for
17 by the legislature in Act 279, Session Laws of Hawaii 2022.

____.B. NO.____

SECTION 2. Act 279, Session Laws of Hawaii 2022, is amended by amending section 6 to read as follows:

"SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$600,000,000 or so much there of as may be necessary for fiscal year 2021-2022 for the purposes of this Act; provided that any moneys not expended or encumbered for specific purposes shall lapse to the general fund on June 30, [~~2025~~] 2024."

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$_____ or so much thereof as may be necessary for fiscal year 2024-2025. The sum appropriated shall be expended for the department of Hawaiian home lands for the purposes of this Act.

SECTION 4. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions or this Act are severable.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on June 29, 2024.

____.B. NO.____

1

2

INTRODUCED BY: _____

3

BY REQUEST

____.B. NO.____

Report Title:

Department of Hawaiian Home Lands; Appropriation

Description:

Confirms the intent of the Legislature that funds appropriated in Act 279, Session Laws of Hawaii 2022, be available for expenditure until June 30, 2025.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

PURPOSE: Allow for the expenditure of funds appropriated in Act 279, Session Laws of Hawaii 2022, until June 30, 2025.

MEANS: Amend Act 279, Session Laws of Hawaii 2022.

JUSTIFICATION: The Legislature intended that funds appropriated in Act 279, Session Laws of Hawaii 2022, be available for expenditure until June 30, 2025. This bill confirms the legislative intent.

Impact on the public: This bill further protects the interest of beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended, by allowing for expenditure of funds appropriated in Act 279, Session Laws of Hawaii 2022, until June 30, 2025.

Impact on the department and other agencies: This revision will allow the Department of Hawaiian Home Lands to expend funds by June 30, 2025 as intended by the Legislature instead of the year prior or June 30, 2024.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: HHL 602.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: June 29, 2024.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to provide follow-up
2 funding for the next steps in the investigation, exploration,
3 and identification of geothermal resources on Hawaiian home
4 lands, as these resources may be used for the generation,
5 transmission, or production of electricity and renewable energy
6 resources, including but not limited to, hydrogen generation.

7 SECTION 2. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$6,000,000 or so much
9 thereof as may be necessary for fiscal year 2024-2025 to fund
10 water well development for geophysical investigation,
11 exploration, and identification of geothermal resources on
12 Hawaiian home lands.

13 The sum appropriated shall be expended by the department of
14 Hawaiian home lands for the purposes of this Act.

15 SECTION 3. This Act shall take effect on July 1, 2024.

17 INTRODUCED BY: _____

18 BY REQUEST

____.B. NO.____

Report Title:

Department of Hawaiian Home Lands; Hawaiian Home Lands;
Geothermal Resources; Appropriation

Description:

Appropriates funds to the Department of Hawaiian Home Lands for the investigation, exploration, and identification of geothermal resources on Hawaiian Home Lands.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

PURPOSE: To provide follow-up funds for the next steps in the investigation, exploration, and identification of geothermal resources on Hawaiian Home Lands.

MEANS: Appropriates funds.

JUSTIFICATION: There is appropriated out of the general revenues of the State of Hawaii the sum of \$6,000,000 or so much there of as may be necessary for fiscal year 2024-2025 to fund water well development for geophysical investigation, exploration, and identification of geothermal resources on Hawaiian Home Lands. The sum appropriated shall be expended by the Department of the Hawaiian Home Lands for the purposes of Act 205, Session Laws of Hawaii 2022.

Impact on the public: This bill further protects the interest of beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended, by providing funds for the investigation, exploration, and identification of geothermal resources on Hawaiian Home Lands, as these resources may be used for the generation, transmission, or production of electricity and renewable energy resources.

Impact on the department and other agencies: This bill could allow for the Department of Hawaiian Home Lands to produce generation, transmission, or production of electricity and renewable energy resources on Hawaiian Home Lands.

GENERAL FUND: \$6,000,000.

OTHER FUNDS: None.

PPBS PROGRAM

DESIGNATION: HHL 625.

OTHER AFFECTED

AGENCIES: None.

EFFECTIVE DATE: July 1, 2024.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Hawaii housing
2 finance and development corporation is tasked with developing
3 and financing low- and moderate- income housing projects and
4 administering homeownership programs. The purpose of this Act is
5 to add the chair of the Hawaiian homes commission, or the
6 chair's designee to the Hawaii housing finance and development
7 corporation.

8 SECTION 2. Section 201H-3, Hawaii Revised Statutes, is
9 amended by amending subsections (a) and (b) and (c) to read as
10 follows:

11 "(a) There is created a board of directors of the Hawaii
12 housing finance and development corporation consisting of [~~nine~~]
13 ten members, of whom six shall be public members appointed by
14 the governor as provided in section 26-34. At least four of the
15 public members shall have knowledge and expertise in public or
16 private financing and development of affordable housing. Public
17 members shall be appointed from each of the counties of

____.B. NO.____

1 Honolulu, Hawaii, Maui, and Kauai. At least one public member
2 shall represent community advocates for low-income housing,
3 affiliated with private nonprofit organizations that serve the
4 residents of low-income housing. The public members of the
5 board shall serve four-year staggered terms; provided that the
6 initial appointments shall be as follows:

7 (1) Two members to be appointed for four years;

8 (2) Two members to be appointed for three years; and

9 (3) Two members to be appointed for two years.

10 The director of business, economic development, and tourism,
11 [~~and~~] the director of finance, and the chair of the Hawaiian
12 homes commission, or their designated representatives, and a
13 representative of the governor's office, shall be ex officio[,]
14 voting members. The corporation shall be headed by the board.

15 (b) The board of directors shall select a chairperson
16 and vice chairperson from among its members; provided that the
17 chairperson shall be a public member. The director of business,
18 economic development, and tourism, director of finance, chair of
19 the Hawaiian homes commission, and the governor's representative
20 shall be ineligible to serve as chairperson of the board.

21 (c) [~~Five~~] Six members shall constitute a quorum,
22 whose affirmative vote shall be necessary for all actions by the

____.B. NO.____

1 corporation. The members shall receive no compensation for
2 services, but shall be entitled to necessary expenses, including
3 travel expenses, incurred in the performance of their duties."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.

7

8 INTRODUCED BY: _____

9 BY REQUEST

____.B. NO.____

Report Title:

Hawaii Housing Finance and Development Corporation; Membership

Description:

Adds the Chair of the Hawaiian Homes Commission or the Chair's designee to the Hawaii Housing Finance and Development Corporation.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

PURPOSE: To add the Chair of the Hawaiian Homes Commission or the Chair's designee to the Hawaii Housing Finance and Development Corporation's board of directors.

MEANS: Amend section 201H-3 (a), (b), and (c), Hawaii Revised Statutes.

JUSTIFICATION: Allowing the Chair of the Hawaiian Homes Commission or the Chair's designee to serve on the Hawaii Housing Finance and Development Corporation, would provide an opportunity for the Chair or the Chair's designee to participate in setting policies, defining uses, and establishing priorities and procedures for the development, subdivision, and construction of dwelling units in housing projects in which the State, through the Corporation, shall participate.

Impact on the public: This bill protects the interests of beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended, by allowing the Chair of the Hawaiian Homes Commission or the Chair's designated representative to serve on the board of directors of the Hawaii Housing Finance and Development Corporation.

Impact on the department and other agencies: An additional member would serve on the Hawaii Housing Finance and Development Corporation.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM

DESIGNATION: HHL 625.

OTHER AFFECTED
AGENCIES: Hawaii Housing Finance and Development
Corporation.

EFFECTIVE DATE: Upon approval.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Hawaii community
2 development authority is tasked with promoting and coordinating
3 public and private sector community development and to plan for
4 the development of underutilized areas of Hawaii. The purpose of
5 this Act is to add the chair of the Hawaiian homes commission,
6 or the chair's designee to the Hawaii community development
7 authority.

8 SECTION 2. Section 206E-3, Hawaii Revised Statutes, is
9 amended by amending subsection (b) to read as follows:

10 "(b) The authority shall consist of the director of
11 finance or the director's designee; the director of
12 transportation or the director's designee; the chairperson of
13 the board of land and natural resources; the chair of the
14 Hawaiian homes commission or the chair's designee; the director
15 of planning or planning and permitting of each county in which a
16 community development district is located or the director's
17 designee.; a cultural specialist; an at-large member nominated
18 by the president of the senate; an at-large member nominated by

____.B. NO.____

1 the speaker of the house of representatives; two representatives
2 of the Heeia community development district, comprising one
3 resident of that district or the Koolaupoko district, which
4 consists of sections 1 through 9 of zone 4 of the first tax map
5 key division, and one owner of a small business or one officer
6 or director of a nonprofit organization in the Heeia community
7 development district or Koolaupoko district; two representatives
8 of the Kalaeloa community development district, comprising one
9 resident of the Ewa zone (zone 9, sections 1 through 2) or the
10 Waianae zone (zone 8, sections 1 through 9) of the first tax map
11 key division, and one owner of a small business or one officer
12 or director of a nonprofit organization in the Ewa or Waianae
13 zone; two representatives of the Kakaako community development
14 district, comprising one resident of the district and one owner
15 of a small business or one officer or director of a nonprofit
16 organization in the district; and two representatives of the
17 Pulehunui community development district, consisting of one
18 resident of the island of Maui, and one owner of a small
19 business or one officer or director of a nonprofit organization
20 on the island of Maui.

21 All members except the director of finance, director of
22 transportation, county directors of planning or planning and

____.B. NO.____

1 permitting, director of business, economic development, and
2 tourism, chairperson of the board of land and natural resources,
3 chair of the Hawaiian homes commission, or their respective
4 designees, shall be appointed by the governor pursuant to
5 section 26-34. The two at-large members nominated by the
6 president of the senate and speaker of the house of
7 representatives shall each be invited to serve and appointed by
8 the governor from a list of three nominees submitted for each
9 position by the nominating authority specified in this
10 subsection.

11 The president of the senate and the speaker of the
12 house of representatives shall each submit a list of six
13 nominees for each district to the governor to fill the two
14 district representative positions for each community development
15 district. For each community development district, the governor
16 shall appoint one member from a list of nominees submitted by
17 the president of the senate and one member from a list of
18 nominees submitted by the speaker of the house of
19 representatives, and of the two appointees, one shall meet the
20 district residency requirement and one shall meet the district
21 small business owner or nonprofit organization officer or
22 director requirement.

____.B. NO.____

1 The authority shall be organized and shall exercise
2 jurisdiction as follows:

3 (1) For matters affecting the Heeia community
4 development district, the following members shall be considered
5 in determining quorum and majority and shall be eligible to
6 vote:

7 (A) The director of finance or the director's designee;

8 (B) The director of transportation or the director's
9 designee;

10 (C) The director of business, economic development, and
11 tourism or the director's designee;

12 (D) The director of planning and permitting for the
13 county in which the Heeia community development district is
14 located or the director's designee;

15 (E) The cultural specialist;

16 (F) The two at-large members; and

17 (G) The two representatives of the Heeia
18 community development district;

19 (2) For matters affecting the Kalaeloa community
20 development district, the following members shall be considered
21 in determining quorum and majority and shall be eligible to
22 vote:

____.B. NO.____

1 (A) The director of finance or the director's
2 designee;

3 (B) The director of transportation or the
4 director's designee;

5 (C) The director of business, economic
6 development, and tourism or the director's designee;

7 (D) The director of planning and permitting for
8 the county in which the Kalaeloa community development district
9 is located or the director's designee;

10 (E) The chair of the Hawaiian homes commission
11 or the chair's designee;

12 [~~(E)~~] (F) The cultural specialist;

13 [~~(F)~~] (G) The two at-large members; and

14 [~~(G)~~] (H) The two representatives of the
15 Kalaeloa community development district;

16 (3) For matters affecting the Kakaako community
17 development district, the following members shall be considered
18 in determining quorum and majority and shall be eligible to
19 vote:

20 (A) The director of finance or the director's
21 designee;

____.B. NO.____

1 (B) The director of transportation or the
2 director's designee;

3 (C) The director of business, economic
4 development, and tourism or the director's designee;

5 (D) The director of planning and permitting for
6 the county in which the Kakaako community development district
7 is located or the director's designee;

8 (E) The cultural specialist;

9 (F) The two at-large members; and

10 (G) The two representatives of the Kakaako
11 community development district; and

12 (4) For matters affecting the Pulehunui community
13 development district, the following members shall be considered
14 in determining quorum and majority and shall be eligible to
15 vote:

16 (A) The director of finance or the director's
17 designee;

18 (B) The director of transportation or the
19 director's designee;

20 (C) The director of business, economic
21 development, and tourism or the director's designee;

____.B. NO.____

1 (D) The director of planning for the county in
2 which the Pulehunui community development district is located or
3 the director's designee;

4 (E) The chairperson of the board of land and
5 natural resources or the chairperson's designee;

6 (F) The cultural specialist;

7 (G) The two at-large members; and

8 (H) The two representatives of the Pulehunui
9 community development district.

10 In the event of a vacancy, a member shall be appointed
11 to fill the vacancy in the same manner as the original
12 appointment within thirty days of the vacancy or within ten days
13 of the senate's rejection of a previous appointment, as
14 applicable.

15 The terms of the director of finance; director of
16 transportation; county directors of planning and permitting;
17 director of business, economic development, and tourism; ~~and~~
18 chairperson of the board of land and natural resources; and
19 chair of the Hawaiian homes commission; or their respective
20 designees shall run concurrently with each official's term of
21 office. The terms of the appointed voting members shall be for
22 four years, commencing on July 1 and expiring on June 30. The

____.B. NO.____

1 governor shall provide for staggered terms of the initially
2 appointed voting members so that the initial terms of four
3 members selected by lot shall be for two years, the initial
4 terms of four members selected by lot shall be for three years,
5 and the initial terms of the remaining three members shall be
6 for four years.

7 The governor may remove or suspend for cause any
8 member after due notice and public hearing.

9 Notwithstanding section 92-15, a majority of all
10 eligible voting members as specified in this subsection shall
11 constitute a quorum to do business, and the concurrence of a
12 majority of all eligible voting members as specified in this
13 subsection shall be necessary to make any action of the
14 authority valid. All members shall continue in office until
15 their respective successors have been appointed and qualified.
16 Except as herein provided, no member appointed under this
17 subsection shall be an officer or employee of the State or its
18 political subdivisions.

19 For purposes of this section, "small business" means a
20 business that is independently owned and that is not dominant in
21 its field of operation."

____.B. NO. _____

SECTION 3. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval.

4

5 INTRODUCED BY: _____

6

BY REQUEST

____.B. NO.____

Report Title:

Hawaii Community Development Authority; Membership

Description:

Adds the Chair of the Hawaiian Homes Commission or the Chair's designee to the Hawaii Community Development Authority.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

PURPOSE: To add the Chair of the Hawaiian Homes Commission or the Chair's designee to the Hawaii Community Development Authority.

MEANS: Amend section 206E-3 (b), Hawaii Revised Statutes.

JUSTIFICATION: Allowing the Chair of the Hawaiian Homes Commission or the Chair's designee to serve on the Hawaii Community Development Authority, would provide an opportunity for the Chair or the Chair's designee to participate in promoting and coordinating public and private sector community development and to plan for the development of underutilized areas of Hawaii.

Impact on the public: This bill protects the interests of beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended, by allowing the Chair of the Hawaiian Homes Commission or the Chair's designated representative to serve on the Hawaii Community Development Authority.

Impact on the department and other agencies: An additional member would serve on the Hawaii Community Development Authority.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: HHL 625.

OTHER AFFECTED AGENCIES: Hawaii Community Development Authority.

EFFECTIVE DATE: Upon approval.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the department of
2 Hawaiian home lands provides loans for the repair, maintenance,
3 purchase, and erection of a dwelling, however the Hawaiian Homes
4 Commission Act of 1920, as amended (HHCA), stipulates that these
5 loans cannot exceed fifty per cent of the maximum single
6 residence loan amount allowed in Hawaii by the United States
7 Department of Housing and Urban Development's Federal Housing
8 Administration (FHA). The purpose of this Act is to amend the
9 HHCA to increase the FHA loan limit to seventy-five percent of
10 the maximum single residence loan amount.

11 SECTION 2. Section 215, Hawaiian Homes Commission Act,
12 1920, as amended, is amended by amending subsection (1) to read
13 as follows:

14 "(1) At any one time, the outstanding amount of loans made
15 to any lessee, or successor or successors in interest, for the
16 repair, maintenance, purchase, and erection of a dwelling and
17 related permanent improvements shall not exceed [~~fifty~~] seventy-
18 five per cent of the maximum single residence loan amount

____.B. NO.____

1 allowed in Hawaii by the United States Department of Housing and
2 Urban Development's Federal Housing Administration (FHA), for
3 the development and operation of a farm, ranch, or aquaculture
4 operation shall not exceed \$50,000, except that when loans are
5 made to an agricultural or aquacultural cooperative association
6 for the purposes stated in section 214(a)(4), the loan limit
7 shall be determined by the department on the basis of the
8 proposed operations and the available security of the
9 association, and for the development and operation of a
10 mercantile establishment shall not exceed the loan limit
11 determined by the department on the basis of the proposed
12 operations and the available security of the lessee or of the
13 organization formed and controlled by lessees; provided that
14 upon the death of a lessee leaving no relative qualified to be a
15 lessee of Hawaiian home lands, or the cancellation of a lease by
16 the department, or the surrender of a lease by the lessee, the
17 department shall make the payment provided for by section
18 209(a), the amount of any such payment shall be considered as
19 part or all, as the case may be, of any such loan to the
20 successor or successors, without limitation as to the above
21 maximum amounts; provided further that in case of the death of a
22 lessee, or cancellation of a lease by the department, or the

____.B. NO.____

1 surrender of a lease by the lessee, the successor or successors
2 to the tract shall assume any outstanding loan or loans thereon,
3 if any, without limitation as to the above maximum amounts but
4 subject to paragraph (3)."

5 SECTION 3. The provisions of the amendments made by this
6 Act to the Hawaiian Homes Commission Act, 1920, as amended, are
7 declared to be severable, and if any section, sentence, clause,
8 or phrase, or the application thereof to any person or
9 circumstances is held ineffective because there is a requirement
10 of having the consent of the United States to take effect, then
11 that portion only shall take effect upon the granting of consent
12 by the United States and effectiveness of the remainder of these
13 amendments or the application thereof shall not be affected.

14 SECTION 4. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 5. This Act shall take effect upon its approval.

17

18 INTRODUCED BY: _____

19

BY REQUEST

____.B. NO.____

Report Title:

Hawaiian Homes Commission Act; Federal Housing Administration

Description:

To increase the Federal Housing Administration loan limit in the Hawaiian Homes Commission Act, 1920, as amended, to be seventy-five per cent of the maximum single residence loan amount, for direct loans administered by the Department of Hawaiian Home Land.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT.

PURPOSE: To increase the Federal Housing Administration (FHA) loan limit in the Hawaiian Homes Commission Act, 1920, as amended, to be seventy-five percent of the maximum single residence loan amount, for direct loans administered by the Department of Hawaiian Home Lands.

MEANS: Amend Section 215 (1) of the Hawaiian Homes Commission Act, 1920, as amended.

JUSTIFICATION: With the higher cost to construct or purchase a home, increasing the loan limit from fifty percent to seventy-five percent of the maximum single residence loan amount will allow beneficiaries to purchase or make improvements to their home.

Impact on the public: This bill protects the interest of beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended, by allowing the FHA loan limit to be seventy-five percent of the maximum single residence loan amount for direct loans administered by the Department of Hawaiian Home Lands.

Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: HHL 625.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon approval.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the United States
2 Department of Agriculture's Section 502 Direct Loan Program for
3 very- low- income households provides a loan term of thirty-
4 eight years. In contrast, loans administered by the department
5 of Hawaiian home lands for the beneficiaries of the Hawaiian
6 Homes Commission Act, 1920, as amended, is thirty years. The
7 purpose of this Act is to increase the loan term of loans
8 administered by the department of Hawaiian home lands for the
9 beneficiaries of the HHCA, 1920, as amended, to forty years.

10 SECTION 2. Section 215, Hawaiian Homes Commission Act,
11 1920, as amended, is amended by amending subsection (2) to read
12 as follows:

13 "(2) The loans shall be repaid in periodic installments,
14 such installments to be monthly, quarterly, semiannual, or
15 annual as may be determined by the department in each case. The
16 term of any loan shall not exceed [~~thirty~~] forty years. Payments
17 of any sum in addition to the required installments, or payment
18 of the entire amount of the loan, may be made at any time within

____.B. NO.____

1 the term of the loan. All unpaid balances of principal shall
2 bear interest at the rate of two and one-half per cent a year
3 for loans made directly from the Hawaiian home-loan fund, or at
4 the rate of two and one-half per cent or higher as established
5 by law for other loans payable periodically or upon demand by
6 the department, as the department may determine. The payment of
7 any installment due shall be postponed in whole or in part by
8 the department for such reasons as it deems good and sufficient
9 and until such later date as it deems advisable. Such postponed
10 payments shall continue to bear interest on the unpaid principal
11 at the rate established for the loan."

12 SECTION 3. The provisions of the amendments made by this
13 Act to the Hawaiian Homes Commission Act, 1920, as amended, are
14 declared to be severable, and if any section, sentence, clause,
15 or phrase, or the application thereof to any person or
16 circumstances is held ineffective because there is a requirement
17 of having the consent of the United States to take effect, then
18 that portion only shall take effect upon the granting of consent
19 by the United States and effectiveness of the remainder of these
20 amendments or the application thereof shall not be affected.

21 SECTION 4. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.

____.B. NO.____

1 SECTION 5. This Act shall take effect upon its approval.

2

3 INTRODUCED BY: _____

4 BY REQUEST

____.B. NO.____

Report Title:

Hawaiian Homes Commission Act; Loan Term

Description:

To increase the Federal Housing Administration loan term in the Hawaiian Homes Commission Act, 1920, as amended, to be forty years, for direct loans administered by the Department of Hawaiian Home Lands.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT.

PURPOSE: To increase the Federal Housing Administration (FHA) loan term in the Hawaiian Homes Commission Act, 1920, as amended, to be forty years, for direct loans administered by the Department of Hawaiian Home Lands.

MEANS: Amend Section 215 (2) of the Hawaiian Homes Commission Act, 1920, as amended.

JUSTIFICATION: Allowing for an increase in the FHA loan term of direct loans administered by the Department of Hawaiian Home Lands from thirty years to forty years, will allow for the loan term to be closer to the loan term of the United States Department of Agriculture's Section 502 Direct Loan Program, which is thirty-eight years and will also allow for lower monthly payment amounts.

Impact on the public: This bill protects the interest of beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended, by allowing for a forty-year FHA loan term for direct loans administered by the Department of Hawaiian Home Lands.

Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: HHL 625.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: Upon Approval.

HAWAIIAN HOMES COMMISSION
SEPTEMBER 18 & 19, 2023

D – ITEMS
HOMESTEAD SERVICES DIVISION

HOMESTEAD SERVICES DIVISION
AGENDA

September 18, 2023

DIV.	ITEM NO.	SUBJECT
	D-1	HSD Status Reports Exhibits: A - Homestead Lease & Application Totals and Monthly Activity Reports B - Delinquency Report
ODO/APPL. LOANS		
LOANS	D-2	Approval of Consent to Mortgage (see exhibit)
	D-3	Ratification of Loan Approvals (see exhibit)
	D-4	Approval of Streamline Refinance of Loans (see exhibit)
APPL	D-5	Approval of Homestead Application Transfers / Cancellations (see exhibit)
	D-6	Approval to Certify Applications of Qualified Applicants for the Month of August 2023 (see exhibit)
	D-7	Commission Designation of Successors to Application Rights – Public Notice 2022 (see exhibit)
DO	D-8	Approval of Assignment of Leasehold Interest (see exhibit)
	D-9	Approval of Amendment of Leasehold Interest (see exhibit)
	D-10	Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems for Certain Lessees (see exhibit)
LOANS	D-11	Postponement of Mortgage Payments

Sample Footer 12pt. Times New Roman
(Without Exhibit)


ITEM NO. D-1

(With Exhibit)

ITEM NO. D-1
EXHIBIT A

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18, 2023

TO: Chairman and Members, Hawaiian Homes Commission
From: Juan Garcia, HSD Administrator 
SUBJECT: **Homestead Services Division Status Reports**

RECOMMENDED MOTION/ACTION

NONE

DISCUSSION

The following reports are for information only:

- Exhibit A: Homestead Lease & Application Totals and Monthly Activity Reports
- Exhibit B: Delinquency Report

September 18, 2023

SUBJECT: Homestead Lease and Application Totals and Monthly Activity Reports

LEASE ACTIVITY REPORT

Month through August 31, 2023

	As of 7/31/23	Add	Cancel	As of 8/31/23
Residential	8,491	4	1	8,494
Agricultural	1,090	0	0	1,090
Pastoral	413	0	0	413
Total	9,994	4	1	9,997

The cumulative number of Converted Undivided Interest Lessees represents an increase of 553 families moving into homes. Their Undivided Interest lease was converted to a regular homestead lease.

	As of 7/31/23	Converted	Rescinded/ Surrendered/ Cancelled	As of 8/31/23
Undivided	757	2	0	755

Balance as of 8/31/2023

Awarded	1,434
Relocated to UNDV	7
Rescinded	123
Surrendered	6
Cancelled	4
Converted	553
Balance to Convert	755

Lease Report For the Month Ending August 31, 2023

	RESIDENCE				AGRICULTURE				PASTURE				TOTAL LEASES			
	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL
OAHU																
Kakaina	37	0	0	37	0	0	0	0	0	0	0	0	37	0	0	37
Kalawahine	90	0	0	90	0	0	0	0	0	0	0	0	90	0	0	90
Kanehili	399	1	0	400	0	0	0	0	0	0	0	0	399	1	0	400
Kapolei	174	0	1	173	0	0	0	0	0	0	0	0	174	0	1	173
Kaulaokahai	151	0	0	151	0	0	0	0	0	0	0	0	151	0	0	151
Kaupea	323	0	0	323	0	0	0	0	0	0	0	0	323	0	0	323
Kaupuni	19	0	0	19	0	0	0	0	0	0	0	0	19	0	0	19
Kewalo	248	0	0	248	0	0	0	0	0	0	0	0	248	0	0	248
Kumuhau	50	0	0	50	0	0	0	0	0	0	0	0	50	0	0	50
Lualualei	149	0	0	149	30	0	0	30	0	0	0	0	179	0	0	179
Malu'ohai	225	0	0	225	0	0	0	0	0	0	0	0	225	0	0	225
Nanakuli	1,043	0	0	1,043	0	0	0	0	0	0	0	0	1,043	0	0	1,043
Papakolea	64	0	0	64	0	0	0	0	0	0	0	0	64	0	0	64
Princess Kahanu Estates	269	0	0	269	0	0	0	0	0	0	0	0	269	0	0	269
Waihole	0	0	0	0	17	0	0	17	0	0	0	0	17	0	0	17
Waianae	419	1	0	420	12	0	0	12	0	0	0	0	431	1	0	432
Waimanalo	714	0	0	714	2	0	0	2	0	0	0	0	716	0	0	716
TOTAL	4,374	2	1	4,375	61	0	0	61	0	0	0	0	4,435	2	1	4,436
MAUI																
Hikina	31	0	0	31	0	0	0	0	0	0	0	0	31	0	0	31
Kahikinui	0	0	0	0	0	0	0	0	75	0	0	75	75	0	0	75
Keokea	0	0	0	0	64	0	0	64	0	0	0	0	64	0	0	64
Leialii	103	0	0	103	0	0	0	0	0	0	0	0	103	0	0	103
Paukukalo	178	0	0	178	0	0	0	0	0	0	0	0	178	0	0	178
Waiehu 1	39	0	0	39	0	0	0	0	0	0	0	0	39	0	0	39
Waiehu 2	109	0	0	109	0	0	0	0	0	0	0	0	109	0	0	109
Waiehu 3	113	0	0	113	0	0	0	0	0	0	0	0	113	0	0	113
Waiehu 4	98	0	0	98	0	0	0	0	0	0	0	0	98	0	0	98
Waiholuli	590	0	0	590	0	0	0	0	0	0	0	0	590	0	0	590
TOTAL	1,261	0	0	1,261	64	0	0	64	75	0	0	75	1,400	0	0	1,400
EAST HAWAII																
Discovery Harbour	2	0	0	2	0	0	0	0	0	0	0	0	2	0	0	2
Kamoa	0	0	0	0	0	0	0	0	25	0	0	25	25	0	0	25
Kaumana	46	0	0	46	0	0	0	0	0	0	0	0	46	0	0	46
Keaukaha	471	0	0	471	0	0	0	0	0	0	0	0	471	0	0	471
Kurtistown	3	0	0	3	0	0	0	0	0	0	0	0	3	0	0	3
Makuu	0	0	0	0	120	0	0	120	0	0	0	0	120	0	0	120
Panaewa	13	0	0	13	260	0	0	260	0	0	0	0	273	0	0	273
Pihonua	17	0	0	17	0	0	0	0	0	0	0	0	17	0	0	17
Puueo	0	0	0	0	12	0	0	12	0	0	0	0	12	0	0	12
University Heights	4	0	0	4	0	0	0	0	0	0	0	0	4	0	0	4
Waiakea	285	0	0	285	0	0	0	0	0	0	0	0	285	0	0	285
TOTAL	841	0	0	841	392	0	0	392	25	0	0	25	1,258	0	0	1,258
WEST HAWAII																
Honokaaia	0	0	0	0	0	0	0	0	24	0	0	24	24	0	0	24
Huinaula	0	0	0	0	0	0	0	0	5	0	0	5	5	0	0	5
Kamoku	0	0	0	0	0	0	0	0	16	0	0	16	16	0	0	16
Kanilohe	224	0	0	224	0	0	0	0	0	0	0	0	224	0	0	224
Kawaihae	192	0	0	192	0	0	0	0	1	0	0	1	193	0	0	193
Lalopua	274	0	0	274	0	0	0	0	0	0	0	0	274	0	0	274
Lalamilo	30	0	0	30	0	0	0	0	0	0	0	0	30	0	0	30
Nienie	0	0	0	0	0	0	0	0	21	0	0	21	21	0	0	21
Puukapu/Waimea/Kuhio VII	118	0	0	118	110	0	0	110	218	0	0	218	446	0	0	446
Puupulehu	33	0	0	33	0	0	0	0	0	0	0	0	33	0	0	33
TOTAL	871	0	0	871	110	0	0	110	285	0	0	285	1,266	0	0	1,266
KAUAI																
Anahola	543	2	0	545	46	0	0	46	0	0	0	0	589	2	0	591
Hanapepe	47	0	0	47	0	0	0	0	0	0	0	0	47	0	0	47
Kekaha	117	0	0	117	0	0	0	0	0	0	0	0	117	0	0	117
Puu Opae	0	0	0	0	0	0	0	0	1	0	0	1	1	0	0	1
TOTAL	707	2	0	709	46	0	0	46	1	0	0	1	754	2	0	756
MOLOKAI																
Hoolehua	152	0	0	152	345	0	0	345	21	0	0	21	518	0	0	518
Kalamaula	166	0	0	166	70	0	0	70	3	0	0	3	239	0	0	239
Kapaakea	47	0	0	47	0	0	0	0	3	0	0	3	50	0	0	50
Moomomi	0	0	0	0	3	0	0	3	0	0	0	0	3	0	0	3
One Aii	27	0	0	27	0	0	0	0	0	0	0	0	27	0	0	27
TOTAL	392	0	0	392	418	0	0	418	27	0	0	27	837	0	0	837
LANAI																
Lanai	44	0	0	44	0	0	0	0	0	0	0	0	44	0	0	44
TOTAL	44	0	0	44	0	0	0	0	0	0	0	0	44	0	0	44
STATEWIDE TOTAL	8,490	4	1	8,493	1,091	0	0	1,091	413	0	0	413	9,994	4	1	9,997

	08/01/23			09/01/23
	Totals	Adds	Deletes	Totals
OAHU				
113 NANAKULI (RES)	155	0	0	155
123 PAKOLEA/KEWALO (RES)	64	0	0	64
133 WAIMANALO (RES)	524	0	4	520
143 WAIANAE (RES)	135	0	0	135
191 OAHU ISLAND-WIDE (AG)	4,115	7	1	4,121
193 OAHU ISLAND-WIDE (RES)	10,559	13	9	10,563
	=====	=====	=====	=====
TOTAL FOR OAHU	15,552	20	14	15,558
MAUI				
213 PAUKUKALO (RES)	50	0	0	50
221 KULA (AG)	4	0	0	4
222 KULA (PAS)	5	0	0	5
291 MAUI ISLAND-WIDE (AG)	4,790	7	3	4,794
292 MAUI ISLAND-WIDE (PAS)	645	0	0	645
293 MAUI ISLAND-WIDE (RES)	3,896	3	1	3,898
	=====	=====	=====	=====
TOTAL FOR MAUI	9,390	10	4	9,396
HAWAII				
313 KEAUKAHAWAIAKEA (RES)	66	0	0	66
321 PANAEWA (AG)	16	0	0	16
333 KAWAIHAE (RES)	16	0	0	16
341 WAIMEA (AG)	11	0	0	11
342 WAIMEA (PAS)	46	0	0	46
343 WAIMEA (RES)	44	0	0	44
391 HAWAII ISLAND-WIDE (AG)	7,377	4	5	7,376
392 HAWAII ISLAND-WIDE (PAS)	1,983	0	0	1,983
393 HAWAII ISLAND-WIDE (RES)	5,909	4	4	5,909
	=====	=====	=====	=====
TOTAL FOR HAWAII	15,468	8	9	15,467
KAUAI				
511 ANAHOLA (AG)	3	0	0	3
512 ANAHOLA (PAS)	20	0	0	20
513 ANAHOLA (RES)	40	0	0	40
523 KEKAHA (RES)	8	0	0	8
532 PUU OPAE (PAS)	7	0	0	7
591 KAUAI ISLAND-WIDE (AG)	2,319	1	8	2,312
592 KAUAI ISLAND-WIDE (PAS)	312	0	0	312
593 KAUAI ISLAND-WIDE (RES)	1,690	1	5	1,686
	=====	=====	=====	=====
TOTAL FOR KAUAI	4,399	2	13	4,388
MOLOKAI				
613 KALAMAULA (RES)	3	0	0	3
621 HOOLEHUA (AG)	17	0	0	17
622 HOOLEHUA (PAS)	1	0	0	1
623 HOOLEHUA (RES)	7	0	0	7
633 KAPAAKEA (RES)	6	0	0	6
643 ONE ALII (RES)	1	0	0	1
691 MOLOKAI ISLAND-WIDE (AG)	1,122	0	1	1,121
692 MOLOKAI ISLAND-WIDE (PAS)	201	0	0	201
693 MOLOKAI ISLAND-WIDE (RES)	802	0	2	800
	=====	=====	=====	=====
TOTAL FOR MOLOKAI	2,160	0	3	2,157
LANAI				
713 LANAI (RES)	70	0	0	70
	=====	=====	=====	=====
TOTAL FOR LANAI	70	0	0	70
GRAND TOTAL				
	=====	=====	=====	=====
	47,039	40	43	47,036
	=====	=====	=====	=====

DELINQUENCY REPORT - STATEWIDE

September 18, 2023

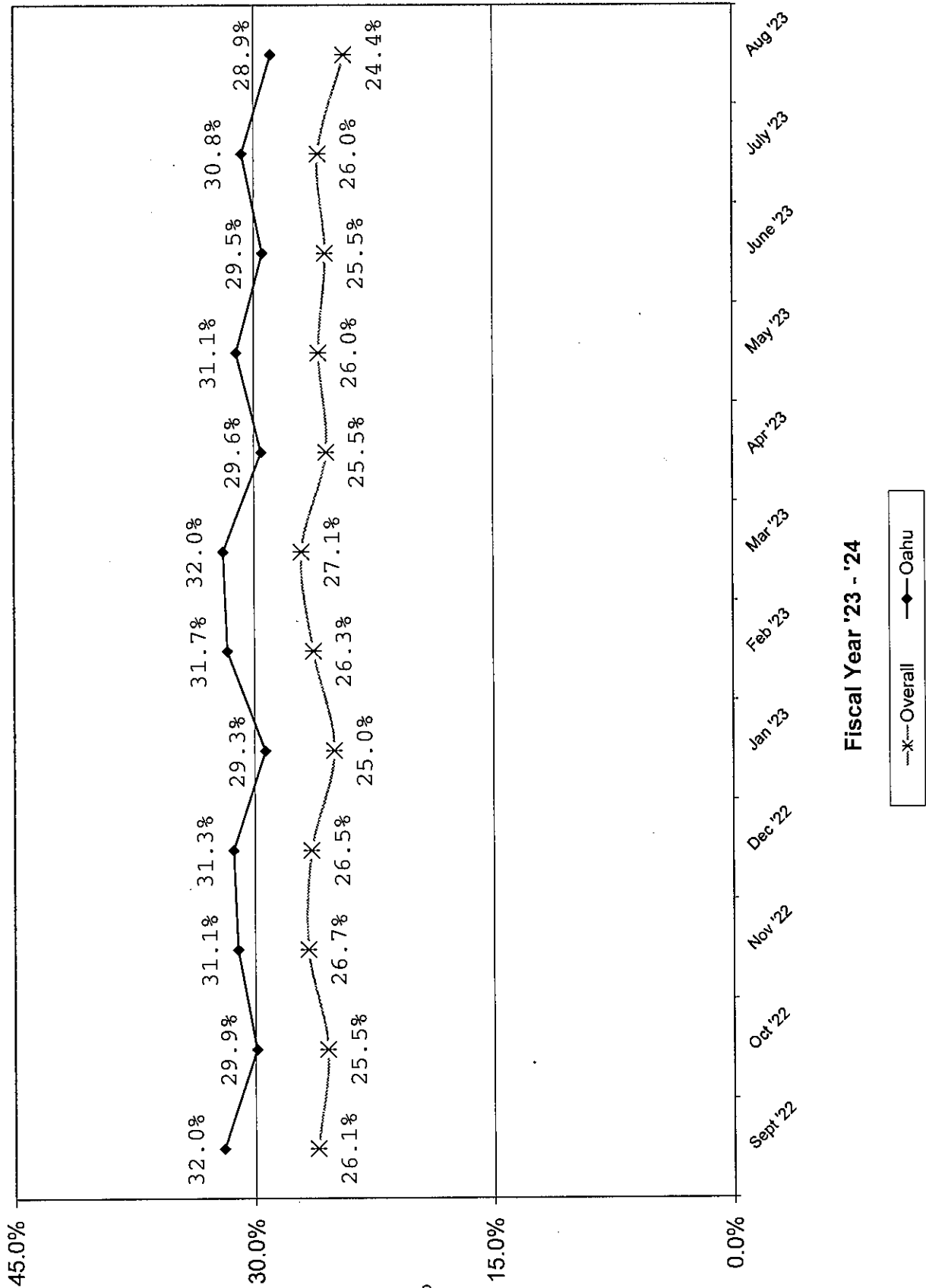
(\$Thousands)

DIRECT LOANS	Total Outstanding		Total Delinquency		30 Days (low)		60 Days (Medium)		90 Days (High)		180 Days (Severe)		% of Totals	
	(000s)		(000s)		(000s)		(000s)		(000s)		(000s)		8/31/2023	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	\$
OAHU	371	35,967	103	10,406	20	1,999	7	915	13	1,245	63	6,246	27.8%	28.9%
EAST HAWAII	193	11,519	62	3,863	11	302	2	126	8	340	41	3,095	32.1%	33.5%
WEST HAWAII	76	8,115	10	826	0	0	4	268	2	200	4	357	13.2%	10.2%
MOLOKAI	79	6,816	17	760	2	86	4	212	2	37	9	425	21.5%	11.2%
KAUAI	92	7,197	7	548	2	202	0	0	0	0	5	346	7.6%	7.6%
MAUI	111	15,312	32	4,273	3	359	7	757	7	851	15	2,306	28.8%	27.9%
TOTAL DIRECT	922	84,926	231	20,675	38	2,949	24	2,278	32	2,674	137	12,775	25.1%	24.3%
	100.0%	100.0%	25.1%	24.3%	4.1%	3.5%	2.6%	2.7%	3.5%	3.1%	14.9%	15.0%		
Advances (including RPT)	244	5,746	244	5,746	0	0	0	0	244	5,746			100%	100%
DHHL LOANS & Advances	1,166	90,672	475	26,422	38	2,949	24	2,278	276	8,420	137	12,775	40.7%	29.1%
LOAN GUARANTEES as of June 30, 2022														
SBA	2	67	0	0	0	0	0	0	0	0			0.0%	0.0%
USDA-RD	274	35,831	43	6,613	0	0	0	0	43	6,613			15.7%	18.5%
Habitat for Humanity	32	893	16	429	0	0	0	0	16	429			50.0%	48.0%
Maui County	5	74	0	0	0	0	0	0	0	0			0.0%	0.0%
Nanakuli NHS	1	7	1	7	0	0	0	0	1	7			100.0%	100.0%
City & County	10	204	10	204	0	0	0	0	10	204			100.0%	100.0%
FHA Interim	6	1,366	0	0	0	0	0	0	0	0			0.0%	0.0%
OHA	1	6	1	6	0	0	0	0	1	6			100.0%	100.0%
TOTAL GUARANTEE	331	38,448	71	7,259	0	0	0	0	71	7,259			21.5%	18.9%
PMI Loans	120	16,276	4	564	2	157	1	126	1	281			3.3%	3.5%
HUD REASSIGNED for Recovery	120	12,489	94	10,702	1	5	0	0	4	326	89	10,372	78.3%	85.7%
FHA Insured Loans	2,952	538,950	208	32,898	0	0	0	0	208	32,898			7.0%	6.1%
TOTAL INS. LOANS	3,192	567,715	306	44,164	3	162	1	126	213	33,505	89	10,372	9.6%	7.8%
OVERALL TOTALS(EXC Adv/RP)	4,445	691,089	608	72,099	41	3,111	25	2,404	316	43,437	226	23,147	13.7%	10.4%
ADJUSTED TOTALS	4,689	696,835	852	77,845	41	3,111	25	2,404	560	49,184	226	23,147		11.2%

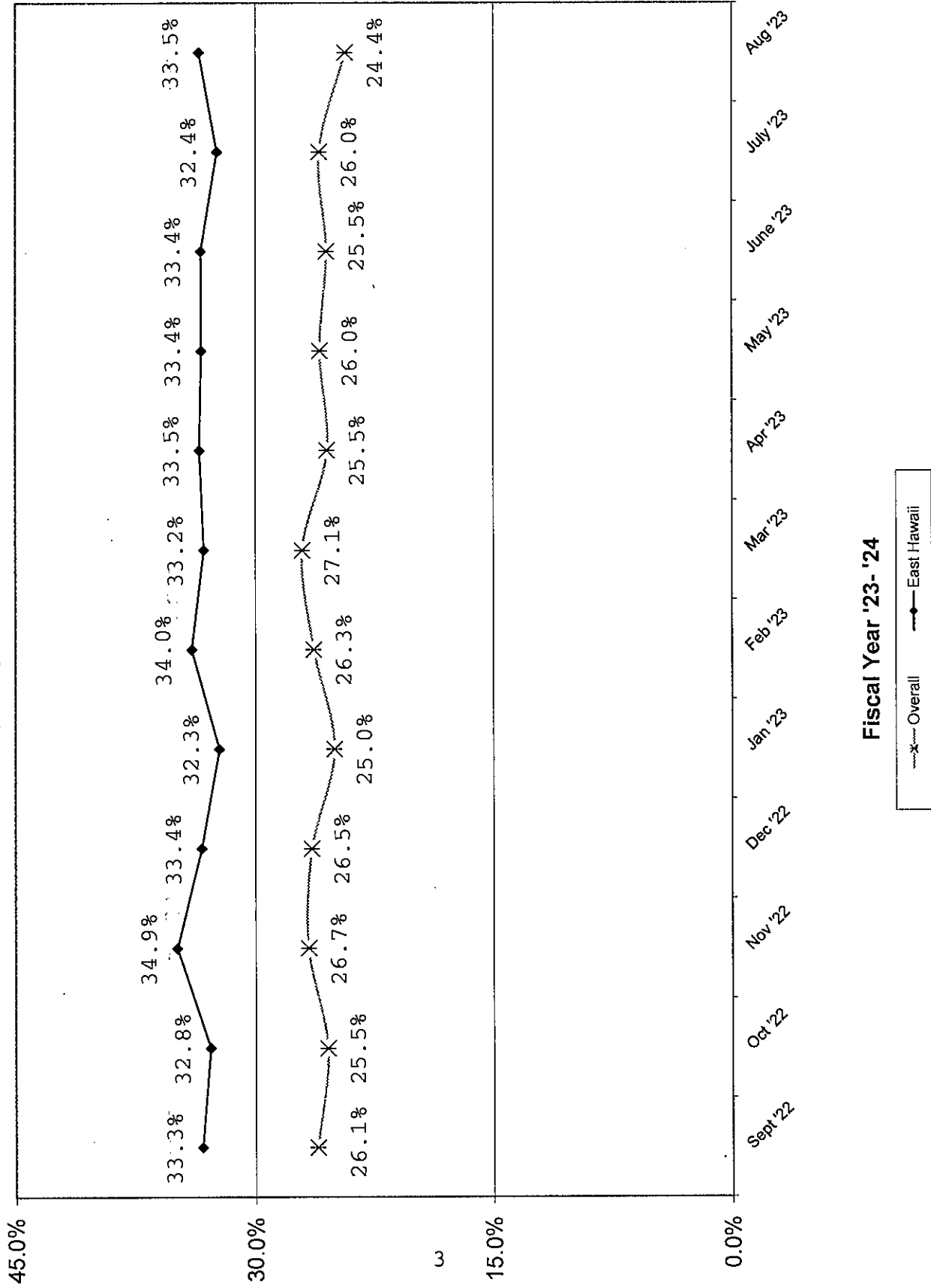
Note: HUD 184A loan program has 515 loans, with a total outstanding principal balance of \$112,252,547 as of June 30, 2022. 15 Loans, totaling \$3,590,830 are delinquent.

The deferred interest for 459 loans comes out to \$1,975,480.09 as of 8/31/2023.

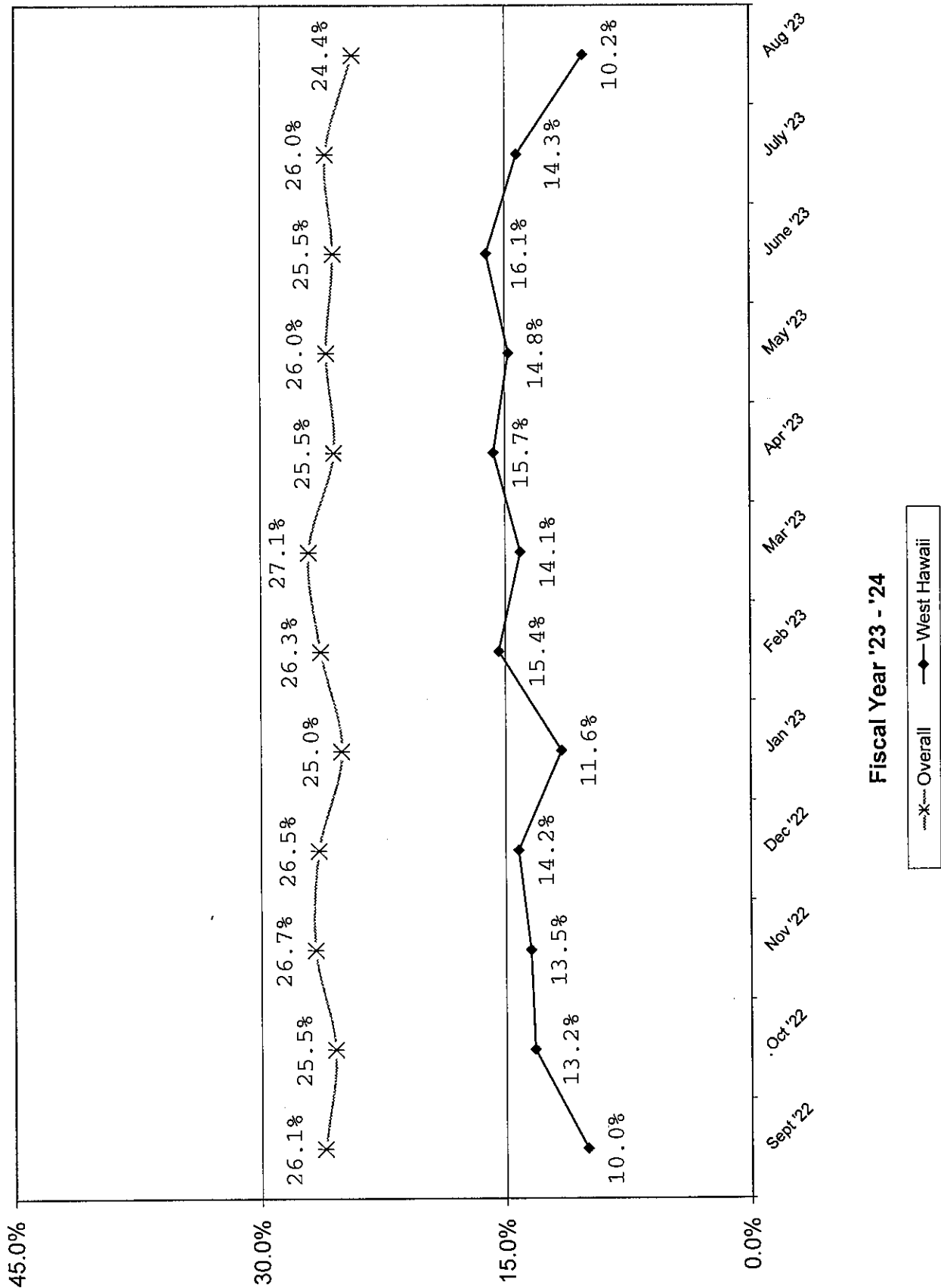
OAHU
Direct Loans
Delinquency Ratio Report



EAST HAWAII Direct Loans Delinquency Ratio Report



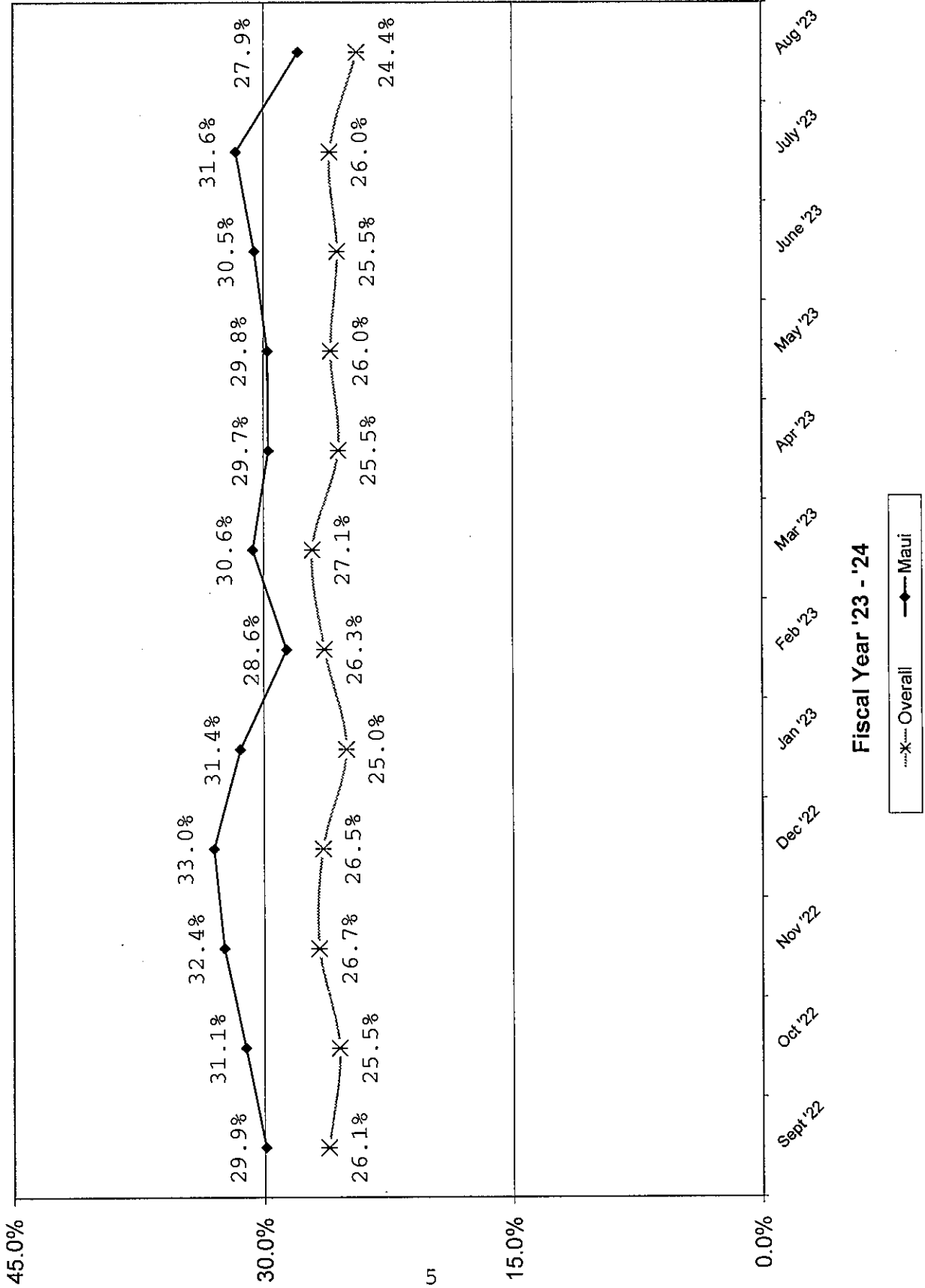
WEST HAWAII
Direct Loans
Delinquency Ratio Report



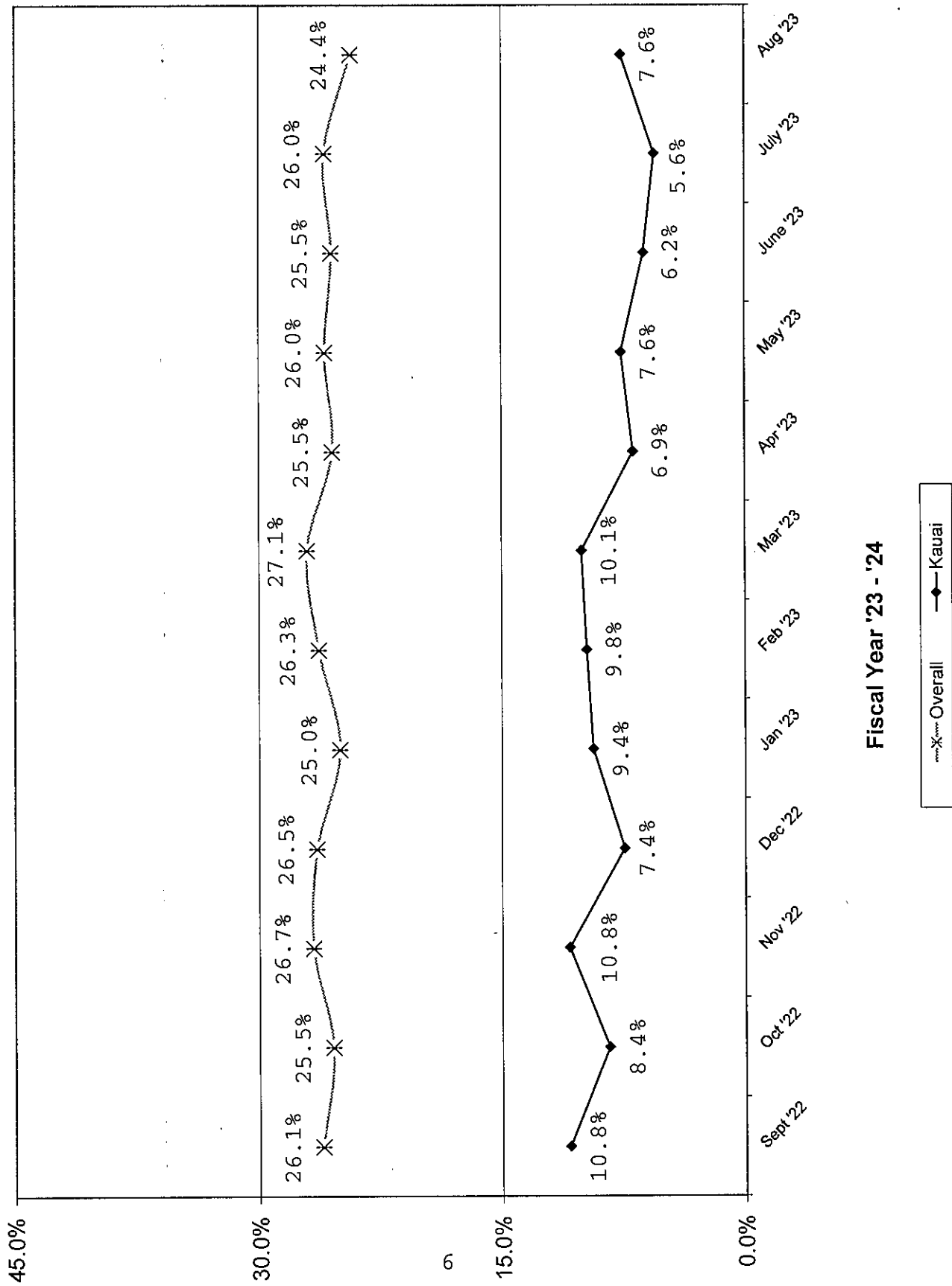
Fiscal Year '23 - '24

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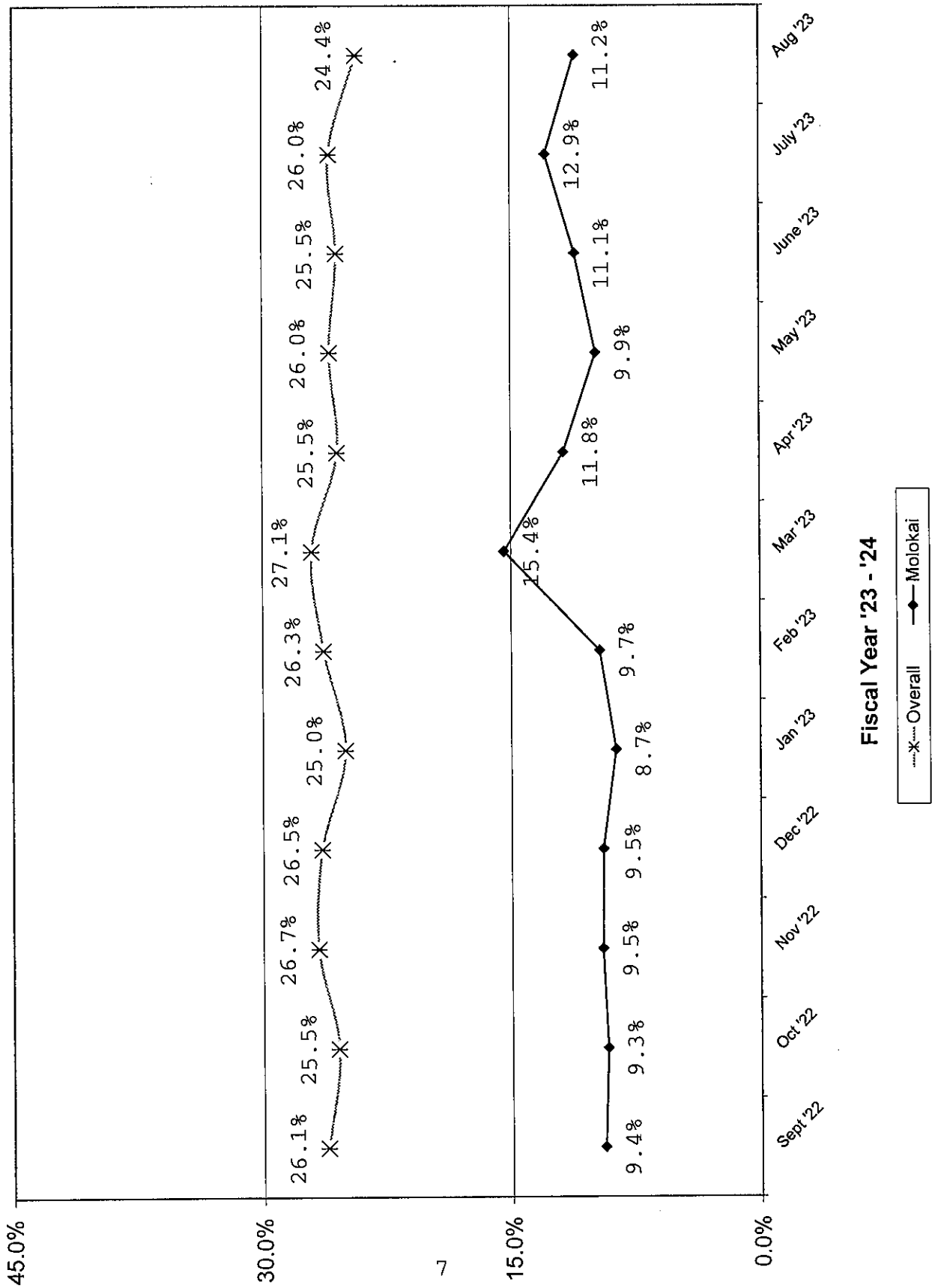
MAUI
Direct Loans
Delinquency Ratio Report



KAUAI Direct Loans Delinquency Ratio Report



MOLOKAI
Direct Loans
Delinquency Ratio Report



STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

September 18, 2023

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, HSD Administrator
Homestead Services Division

FROM: Dean Oshiro, Loan Services Manager

SUBJECT: **Approval of Consent to Mortgage**

RECOMMENDED MOTION/ACTION

To approve the following consents to mortgages for Federal Housing Administration (FHA) insured loans, Department of Veterans Affairs (VA) loans, United States Department of Agriculture, Rural Development (USDA, RD) guaranteed loans, United States Housing and Urban Development (HUD 184A) guaranteed loans and Conventional (CON) loans insured by private mortgage insurers.

DISCUSSION

<u>PROPERTY</u>	<u>LESSEE</u>	<u>LENDER</u>	<u>LOAN AMOUNT</u>
<u>OAHU</u>			
Nanakuli Lease No. 1649 TMK: 1-8-9-005:046	CHANG, Louis T. (Cash Out Refi) FHA	Bank of Hawaii	\$ 350,000
Nanakuli Lease No. 4506 TMK: 1-8-9-010:055	ARMITAGE, Henry K. (Cash Out Refi) FHA	Bank of Hawaii	\$ 160,000
Kanehili Lease No. 12590 TMK: 1-9-1-152:064	JOHNSON, Gina May K. K. (Cash Out Refi) FHA	HomeStreet Bank	\$ 252,948

OAHU

Waimanalo	SILVA,	Click n'	\$ 500,000
Lease No. 3229	Eulyn N.	Close	
TMK: 1-4-1-003:004	(Purchase)FHA		

Kewalo	NIHEI,	American	\$ 227,250
Lease No. 3522	George T., Jr.	Savings Bank	
TMK: 1-2-5-022:023	(Cash Out Refi) HUD		
	184A		

Waimanalo	RICHARDSON-ORTIZ,	Hightechlen-	\$ 350,325
Lease No. 3120	Robbie I. (Cash Out	ding	
TMK: 1-4-1-016:082	Refi) FHA		

MAUI

Waiehu 2	KIM,	Leaf Funding	\$ 294,310
Lease No. 9512	KRISTINE I. H.	Mortgage	
TMK: 2-3-2-023:018	(Cash Out Refi) FHA		

KAUAI

Anahola	KUPIHEA,	HomeStreet	\$ 400,668
Lease No. 8840	Kaira A.	Bank	
TMK: 4-4-8-020:053	(Purchase)FHA		

HAWAII

Panaewa	NAPEAHI,	V. I. P.	\$ 352,920
Lease No. 6247	Terri L. (Cash Out	Mortgage	
TMK: 3-2-1-025:185	Refi) FHA	Inc.	

Waiakea	HANOHANO,	Department	\$ 40,080
Lease No. 8125	Donna Rae P. (Rate	of Veterans	
TMK: 3-2-2-063:068	Term Refi) VA	Affairs	

Keaukaha	POLIKAPU-MEDEIROS,	Mann	\$ 181,650
Lease No. 2565	Frances L. C. M. M.	Mortgage LLC	
TMK: 3-2-1-021:007	(Cash Out Refi) FHA		

ITEM NO. D-2

HAWAII

Kawaihae
Lease No. 10026
TMK: 3-6-1-009:031

SALINAS,
Roger L. (Rate Term
Refi) VA

Department \$ 60,000
of Veterans
Affairs

Waiakea
Lease No. 4778
TMK: 3-2-2-062:004

ABILEY,
Margie H. (Cash Out
Refi) FHA

HomeStreet \$ 75,280
Bank

<u>RECAP</u>	<u>NO.</u>	<u>FHA</u> <u>AMOUNT</u>	<u>NO.</u>	<u>VA</u> <u>AMOUNT</u>
FY Ending 6/30/23	167	\$ 58,188,156	9	\$ 2,325,526
Prior Months	26	\$ 9,557,895	8	\$ 1,800,050
This Month	<u>10</u>	<u>2,918,101</u>	<u>2</u>	<u>100,080</u>
Total FY '23-'24	36	\$ 12,475,996	10	\$ 1,900,130

		<u>HUD 184A</u> <u>AMOUNT</u>		<u>USDA-RD</u> <u>AMOUNT</u>
FY Ending 6/30/23	23	\$ 8,018,714	3	\$ 1,081,858
Prior Months	0	\$ 0	0	\$ 0
This Month	<u>1</u>	<u>227,250</u>	<u>0</u>	<u>0</u>
Total FY '23-'24	1	\$ 227,250	0	\$ 0

ITEM NO. D-2

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18, 2023

TO: Chairman and Members, Hawaiian Homes Commission
THROUGH: Juan Garcia, HSD Administrator
Homestead Services Division
FROM: Dean Oshiro, Loan Services Branch Manager
SUBJECT: **Ratification of Loan Approvals**

RECOMMENDED MOTION/ACTION

To ratify the approval of the following loan previously approved by the Chairman, pursuant to section 10-2-17, Ratification of Chairman's action, of the Department of Hawaiian Home Lands Administrative Rules.

<u>LESSEE</u>	<u>LEASE NO. & AREA</u>	<u>LOAN TERMS</u>
Higa, Sueo	11087, Anahola	Loan #1: NTE \$459,075 @ 4% interest per annum, interest only payments one-year term. Loan #2: NTE \$459,075 @ 4% interest per annum, NTE \$2,192 monthly, repayable over 30 years.

Loan Purpose: Loan #1: Interim construction loan to construct a new 3 bedroom, 2-1/2 bath home.
Loan #2: Permanent take out loan to fully amortize Loan #1.

<u>LESSEE</u>	<u>LEASE NO. & AREA</u>	<u>LOAN TERMS</u>
Kama, Karen K.	10025, Kawaihae	NTE \$49,000 @ 4% interest per annum, NTE \$234 monthly, repayable over 30 years.

Loan Purpose: Refinance Contract of Loan #19106 to reduce the interest rate due to financial hardship. Original loan amount of \$96,249 @ 4.5% per annum, \$535 monthly, repayable over 30 years. A contested case hearing was not held for this account.

<u>REFINANCE</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	14	\$ 1,732,825
Prior Months	2	185,800
This Month	<u>1</u>	<u>49,000</u>
Total FY '23-'24	3	\$ 234,800

<u>REPAIR</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	0	\$ -0-
Prior Months	0	-0-
This Month	<u>0</u>	<u>-0-</u>
Total FY '23-'24	0	\$ -0-

<u>HOME CONSTRUCTION</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	3	\$ 1,028,750
Prior Months	0	-0-
This Month	<u>1</u>	<u>459,075</u>
Total FY '23-'24	1	\$ 459,075

<u>FARM</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	0	\$ -0-
Prior Months	0	-0-
This Month	<u>0</u>	<u>-0-</u>
Total FY '23-'24	0	\$ -0-

<u>TRANSFER WITH LOAN</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	1	\$ 143,000
Prior Months	0	-0-
This Month	<u>0</u>	<u>-0-</u>
Total FY '23-'24	0	\$ -0-


<u>AWARD</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	3	\$ 524,500
Prior Months	1	182,000
This Month	<u>0</u>	<u>-0-</u>
Total FY '23-'24	1	\$ 182,000


<u>OTHER</u>	<u>NO.</u>	<u>LOAN AMOUNT</u>
FY Ending 6/30/23	0	\$ -0-
Prior Months	0	-0-
This Month	<u>0</u>	<u>-0-</u>
Total FY '23-'24	0	\$ -0-

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18, 2023

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, HSD Administrator 
Homestead Services Division

FROM: Dean Oshiro, Loan Services Branch Manager 

SUBJECT: **Approval of Streamline Refinance of Loans**

RECOMMENDED MOTION/ACTION

To approve the refinancing of loans from the Hawaiian Home General Loan Fund.

DISCUSSION

The following lessees have met the "Streamline/Interest rate reduction loan" criteria, which was approved by the Hawaiian Homes Commission at its August 19, 2013 meeting. This criteria includes twelve (12) consecutive monthly payments, borrower's current interest rate is higher than the current DHHL interest rate, current with their Homeowners Insurance, Real Property Tax, Lease Rent, county sewer/refuse fees, and does not have any advances made by DHHL on the borrowers behalf.

HSD's recommendation for approval is based on actual payment history, over the past twelve (12) months and the review of the above-mentioned criteria. Streamline/Interest Rate Loan refinancing will provide lessees a chance to simply reduce their interest rate and payments without DHHL having to credit and/or income qualify the borrower.

The following lessee(s) has met the aforementioned criteria and is recommended for Streamline/Interest rate reduction loan refinance program:



<u>LESSEE</u>	<u>LEASE NO. & AREA</u>	<u>REFINANCING LOAN TERMS</u>
Makasobe, Henry E.	9983, Nanakuli	NTE \$200,280 @4% interest per annum, NTE \$957 monthly, repayable over 30 years.

Loan Purpose: Refinance Contract of Loan No. 19371.
Original loan amount of \$218,010 at
4.5% per annum, \$1,105 monthly,
repayable over 30 years. A Contested
Case Hearing was not held for this
account.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

September 18, 2023

TO: Chairman and Members, Hawaiian Homes Commission
THROUGH: Juan Garcia, HSD Administrator 
FROM: Nicole F. Bell, Application Branch Supervisor 
Homestead Services Division
SUBJECT: **Approval of Homestead Application Transfers/Cancellations**

RECOMMENDED MOTION/ACTION

To approve the transfers and cancellations of applications from the Application Waiting Lists for reasons described below:

DISCUSSION

1. Requests of Applicants to Transfer

NONE FOR SUBMITTAL

2. Deceased Applicants

NONE FOR SUBMITTAL

3. Awards of Leases

OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

KAHALEWAI, Solomon J., Jr.	Assigned Residential Lease #13003, Lot 21 in Waianae, Oahu dated 07/07/2023. Remove application dated 02/05/2014.
MARCELLINO, Peter H.K.	Assigned Residential Lease #12985, Lot 59 in Lualualei, Oahu dated 07/28/2023. Remove application dated 02/20/1987.

WOODARD, Daryle Jean K.

Assigned Residential Lease #13013,
Lot 108 in Waianae, Oahu dated
08/10/2023. Remove application
dated 06/20/1985.

HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

LOO, Adele L.

Assigned Residential Lease #8970,
Lot 10 in Puu Pulehu, Hawaii dated
07/07/2023. Remove application
dated 07/28/2010.

KAUAI ISLANDWIDE RESIDENTIAL LEASE LIST

AHUNA, Jona Marie K.P.

Assigned Residential Lease #13024,
Lot 24 in Pi'ilani Mai Ke Kai,
Anahola, Kauai dated 08/15/2023.
Remove application dated
08/12/1988.

KEAWEAMAHI, Wendell L.

Assigned Residential Lease #13021,
Lot 44 in Pi'ilani Mai Ke Kai,
Anahola, Kauai dated 08/07/2023.
Remove application dated
06/06/1986.

4. Native Hawaiian Qualification

NONE FOR SUBMITTAL

5. Voluntary Cancellation

NONE FOR SUBMITTAL

6. Successorship

OAHU ISLANDWIDE AGRICULTURAL LEASE LIST

PELEKAI-WAI, Kulea K.

Succeeded to Maui Islandwide
Agricultural application of
Grandparent, Beverly M. Wai
dated 11/24/2004. Remove
application dated 11/06/2014.

OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

MALAGA, Edrianna P.C.

Succeeded to Oahu Islandwide
Residential application of
Parent, Edward L. Sua dated
05/21/1993. Remove application
dated 07/19/2018.

PAVAO, Lydia N.

Succeeded to Oahu Islandwide
Residential application of
Sibling, Jane Silva dated
02/04/1993. Remove application
dated 05/24/2000.

SOARES-YAP, Celeste L.

Succeeded to Oahu Islandwide
Residential application of
Parent, George Soares dated
12/10/1997. Remove application
dated 06/20/2006.

MAUI ISLANDWIDE AGRICULTURAL LEASE LIST

WONG, Wallis K.

Succeeded to Oahu Islandwide
Agricultural application of
Sibling, Haaheo F. Castro dated
02/10/1995. Remove application
dated 06/07/2021.

MAUI ISLANDWIDE RESIDENTIAL LEASE LIST

BRITTAIN, Margaret K.

Succeeded to Waimanalo Area /
Oahu Islandwide Residential
application of Parent, Myron K.
Karratti dated 04/11/1969.
Remove application dated
01/18/2011.

KEAWE, Chanda A.

Succeeded to Waimanalo Area /
Oahu Islandwide Residential
application of Sibling, Laverne
Coffey dated 09/08/1975. Remove
application dated 10/22/2008.

SORIANO, Caridad E.

Succeeded to Maui Islandwide
Residential application of
Sibling, Jeremiah S. Soriano
dated 06/18/1987. Remove
application dated 10/31/2011.

HAWAII ISLANDWIDE AGRICULTURAL LEASE LIST

COSTA, Herman Jr.

Succeeded to Hawaii Islandwide
Agricultural application of
Parent, Geraldine L. Costa dated
10/10/1986. Remove application
dated 11/21/1994.

MALAGA, Edrianna P.C.

Succeeded to Hawaii Islandwide
Agricultural application of
Parent, Edward L. Sua dated
10/29/1992. Remove application
dated 07/19/2018.

OTA, Rowena L.K.

Succeeded to Hawaii Islandwide
Agricultural application of
Parent, Daniel Kahawai dated
07/10/1985. Remove application
dated 06/28/2004.

PAVAO, Lydia N.

Succeeded to Hawaii Islandwide
Agricultural application of
Sibling, Jane Silva dated
02/04/1993. Remove application
dated 02/04/1993.

SOARES-YAP, Celeste L.

Succeeded to Kauai Islandwide
Agricultural application of
Parent, George Soares dated
07/02/1990. Remove application
dated 06/20/2006.

KAUAI ISLANDWIDE AGRICULTURAL LEASE LIST

KAUI, Shelly L.

Succeeded to Kauai Islandwide
Agricultural application of
Parent, Chang Y. Kauai dated
08/08/1986. Remove application
dated 08/30/2022.

MOLOKAI ISLANDWIDE RESIDENTIAL LEASE LIST

KAPULE, Nathan L.

Succeeded to Kawaihae Area /
Hawaii Islandwide Residential
application of Sibling,
Gwendolyn K. Terlep dated
03/17/1976. Remove application
dated 07/27/2017.

7. Additional Acreage

NONE FOR SUBMITTAL

8. HHC Adjustments

NONE FOR SUBMITTAL


Last Month's Transaction Total	70
Last Month's Cumulative FY 2023-2024 Transaction Total	117
Transfers from Island to Island	0
Deceased	0
Cancellations:	
Awards of Leases	6
NHQ	0
Voluntary Cancellations	0
Successorship	15
Additional Acreage	0
HHC Adjustments	0
This Month's Transaction Total	21
This Month's Cumulative FY 2023-2024 Transaction Total	138


STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

September 18, 2023

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, HSD Administrator 

FROM: Nicole F. Bell, Application Branch Supervisor 
Homestead Services Division

SUBJECT: **Approval to Certify Applications of Qualified Applicants for
the month of August 2023**

RECOMMENDED MOTION/ACTION

To approve the certification of applications of qualified applicants for the month of August 2023. The Department has verified the native Hawaiian blood quantum requirement of each applicant according to section 10-3-2 of the Hawaii Administrative Rules.

DISCUSSION

At its October 2020 regular meeting, the Hawaii Homes Commission adopted the recommendation of the HHC Investigative Committee on the Native Hawaiian Qualification Process to recall to the HHC, pursuant to Hawaii Administrative Rules § 10-2-16(a), the authority to accept the Native Hawaiian Quantum (NHQ) determination for an individuals as a function requiring the exercise of judgement or discretion. The recommendation included a process to implement the Commission's review and acceptance of NHQ determinations. These applicants have been deemed by the Department to have met the native Hawaiian blood quantum requirement through the kumu 'ohanaprocess.

OAHU ISLANDWIDE AGRICULTURAL LEASE LIST

MURRAY, Pamela K.	05/08/2023
KAHUI, David Shane A.	05/10/2023
LAIMANA, Thomas K.K.	05/11/2023
PALIMOO, Rose L.M.	05/16/2023

LAIMANA, Dayne K.K.	05/24/2023
EDWARDS, Colleen L.	06/01/2023
MAIAVA, Seau K.K.	06/01/2023
MAIAVA, See A.	06/01/2023
MAIAVA, Warner S.	06/01/2023
MOSES, Cid D.	07/06/2023

OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

BANNISTER, James K.	05/05/2023
MURRAY, Pamela K.	05/08/2023
LOPEZ, Clarence T., Jr.	05/09/2023
KAHUI, David Shane A.	05/10/2023
LAIMANA, Thomas K.K.	05/11/2023
SPENCER, Joel N.K.	05/12/2023
PALIMOO, Rose L.M.	05/16/2023
LEALAO, Chelcey M.	05/17/2023
ROSE, Jesticity K.	05/19/2023
KAPELE, Kanai M.	05/22/2023
LAIMANA, Dayne K.K.	05/24/2023
AMBROSE, Sybil K.	05/26/2023
KAHOOKELE, Jarrett K., Jr.	05/30/2023
EDWARDS, Colleen L.	06/01/2023
MAIAVA, Seau K.K.	06/01/2023
MAIAVA, See A.	06/01/2023
MAIAVA, Warner S.	06/01/2023

ELLIS, Travis A.	06/07/2023
KALA-WILSEY, Shannon K.	06/08/2023
PARKER, Duke A.H.	06/08/2023
NAPUELUA-AH YEE, Kanai K.	06/14/2023
NAPUELUA-AH YEE, Keaka K.	06/14/2023
NAPUELUA-AH YEE, Kiliohu K.	06/14/2023

MAUI ISLANDWIDE AGRICULTURAL LEASE LIST

POKINI, Raven K.	05/26/2023
MOIHA, Justin K.	06/13/2023
NAPUELUA-AH YEE, Kanai K.	06/14/2023

MAUI ISLANDWIDE RESIDENTIAL LEASE LIST

SNIFFEN, Rose L.	05/15/2023
MOIHA, Justin K.	06/13/2023
TEJEDA-FIGUEROA, Esmeralda M.	07/03/2023

HAWAII ISLANDWIDE AGRICULTURAL LEASE LIST

KAUPU, Shannon Maccleroy K.	04/28/2023
BORGES-APAO, Elijah N.	05/02/2023
ROSE, Jesticity K.	05/19/2023
KALEIOPU, Timothy J.	05/19/2023
KAHOOKELE, Jarrett K., Jr.	05/30/2023
KAHAKAI, Casey	05/31/2023
GARNETT, Shevon K.	06/07/2023
LAU, Iris K.	06/09/2023

ANDERSON, Robin K.

06/27/2023

HAWAII ISLANDWIDE PASTORAL LEASE LIST

DAVIS, Roberta M.

06/07/2023

HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

KAUPU, Shannon Maccleroy K.

04/28/2023

BORGES-APAO, Elijah N.

05/02/2023

CHANG, Joshua K.

05/05/2023

KALEIOPU, Timothy J.

05/19/2023

KAHAKAI, Casey

05/31/2023

VENTURA, William K.

06/02/2023

LAU, Iris K.

06/09/2023

ANDERSON, Robin K.

06/27/2023

KAUAI ISLANDWIDE RESIDENTIAL LEASE LIST

KUHAULUA, Abe E.

06/27/2023

MOLOKAI ISLANDWIDE AGRICULTURAL LEASE LIST

NAPUELUA-AH YEE, Keaka K.

06/14/2023

NAPUELUA-AH YEE, Kiliohu K.

06/14/2023

MOLOKAI ISLANDWIDE RESIDENTIAL LEASE LIST

KEAHI-LEARY, Margaret K.

06/28/2023


Previous Cumulative Total for Current FY	41
Current Month's Total	61
Fiscal Year Total: July 2023-June 2024	102


STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

September 18, 2023

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, HSD Administrator 

FROM: Nicole F. Bell, Application Branch Supervisor 
Homestead Services Division

SUBJECT: **Commission Designation of Successors to Application Rights - Public Notice 2022**

RECOMMENDED MOTION/ACTION

1. To designate the following individuals as successors to the application rights of deceased applicants who did not name a qualified successor.

2. To approve the certification of applications to successorship rights of qualified successors. The Department has verified the native Hawaiian blood quantum requirement of each prospective successor according to section 10-3-2 of the Hawaii Administrative Rules.

DISCUSSION

The following qualified applicants passed away on or after October 26, 1998, without naming qualified successors. Pursuant to 10-3-8(c) of the *Hawaii Administrative Rules*, a public notice listing the names of deceased applicants and calling for possible successors to their application rights was published in the Honolulu Star-Advertiser, The Maui News, Hawaii Tribune Herald, West Hawaii Today, and The Garden Island on the last two consecutive Sundays of November for the year the Department received notification. Requests to succeed to the decedents' application rights were submitted within the required 180 days following the last date of publication. Prospective successors were the sole respondents and are deemed by the Department to have met the requirements of successorship according to section 10-3-8(b) of the *Hawaii Administrative Rules*. HSD recommends approval of the following designees:

1. Deceased Applicant: Laverne Coffey
Date of death: January 22, 2018
Successor to app rights: Chanda A. Keawe
Relationship to decedent: Sibling
Island: Waimanalo Area / Oahu
Type: Islandwide Residential
Date of Application: September 8, 1975
Date of Public Notice: November, 2022

2. Deceased Applicant: Myron K. Karratti
Date of death: April 19, 2016
Successor to app rights: Margaret K. Brittain
Relationship to decedent: Child
Island: Waimanalo Area / Oahu
Type: Islandwide Residential
Date of Application: April 11, 1969
Date of Public Notice: November, 2022

3. Deceased Applicant: Haaheo F. Castro
Date of death: August 24, 2021
Successor to app rights: Wallis K. Wong
Relationship to decedent: Sibling
Island: Oahu
Type: Islandwide Agricultural
Date of Application: February 10, 1995
Date of Public Notice: November, 2022

4. Deceased Applicant: Fortunato Lagapa
Date of death: September 30, 2021
Successor to app rights: Vanessa L.K. Dela Cruz
Relationship to decedent: Niece
Island: Oahu
Type: Islandwide Residential
Date of Application: August 13, 1994
Date of Public Notice: November, 2022

- 5a. Deceased Applicant: Jane Silva
Date of death: January 10, 2013
Successor to app rights: Lydia N. Pavao
Relationship to decedent: Sibling
Island: Oahu
Type: Islandwide Residential
Date of Application: February 4, 1993
Date of Public Notice: November, 2022

5b. Island:	Hawaii
Type:	Islandwide Agricultural
Date of Application:	February 4, 1993
6a. Deceased Applicant:	George Soares
Date of death:	November 18, 2010
Successor to app rights:	Celeste Soares-Yap
Relationship to decedent:	Child
Island:	Oahu
Type:	Islandwide Residential
Date of Application:	December 10, 1997
Date of Public Notice:	November, 2022
6b. Island:	Kauai
Type:	Islandwide Agricultural
Date of Application:	July 2, 1990
7a. Deceased Applicant:	Edward L. Sua
Date of death:	October 22, 2019
Successor to app rights:	Edrianna P.C. Malaga
Relationship to decedent:	Child
Island:	Oahu
Type:	Islandwide Residential
Date of Application:	May 21, 1993
Date of Public Notice:	November, 2022
7b. Island:	Hawaii
Type:	Islandwide Agricultural
Date of Application:	October 29, 1992
8a. Deceased Applicant:	Beverly M. Wai
Date of death:	February 4, 2022
Successor to app rights:	Kulea K. Pelekai-Wai
Relationship to decedent:	Grandchild
Island:	Maui
Type:	Islandwide Agricultural
Date of Application:	November 24, 2004
Date of Public Notice:	November, 2022
8b. Island:	Maui
Type:	Islandwide Residential
Date of Application:	November 24, 2004

9a. Deceased Applicant:	Darren J.N. Pukahi
Date of death:	July 3, 2014
Successor to app rights:	Sandra A.K. Pukahi
Relationship to decedent:	Parent
Island:	Maui
Type:	Islandwide Agricultural
Date of Application:	October 31, 1986
Date of Public Notice:	November, 2022
9b. Island:	Maui
Type:	Islandwide Residential
Date of Application:	October 31, 1986
10. Deceased Applicant:	Jeremiah S. Soriano
Date of death:	May 5, 2020
Successor to app rights:	Caridad E. Soriano
Relationship to decedent:	Sibling
Island:	Maui
Type:	Islandwide Residential
Date of Application:	June 18, 1987
Date of Public Notice:	November, 2022
11. Deceased Applicant:	Gwendolyn K. Terlep
Date of death:	September 5, 2022
Successor to app rights:	Nathan L. Kapule
Relationship to decedent:	Sibling
Island:	Kawaihae Area / Hawaii
Type:	Islandwide Residential
Date of Application:	March 17, 1976
Date of Public Notice:	November, 2022
12. Deceased Applicant:	Geraldine L. Costa
Date of death:	May 30, 2021
Successor to app rights:	Herman Costa Jr.
Relationship to decedent:	Child
Island:	Hawaii
Type:	Islandwide Agricultural
Date of Application:	October 10, 1986
Date of Public Notice:	November, 2022

13. Deceased Applicant: Daniel Kahawai
Date of death: March 19, 2020
Successor to app rights: Rowena L.K. Ota
Relationship to decedent: Child
Island: Hawaii
Type: Islandwide Agricultural
Date of Application: Jule 10, 1985
Date of Public Notice: November, 2022
14. Deceased Applicant: Chang Y. Kau
Date of death: August 20, 2006
Successor to app rights: Shelly L. Kau
Relationship to decedent: Child
Island: Kauai
Type: Islandwide Agricultural
Date of Application: August 8, 1986
Date of Public Notice: November, 2022

Previous Cumulative Total for Current FY	0
Current Month's Total	19

STATE OF HAWAII


DEPARTMENT OF HAWAIIAN HOME LANDS

September 18, 2023

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, Administrator
Homestead Services Division



FROM: Ross K. Kapeliela, Acting ODO Supervisor 
Homestead Services Division

SUBJECT: **Approval of Assignment of Leasehold Interest**

RECOMMENDED MOTION/ACTION

1. To approve the assignment of the leasehold interest, pursuant to Section 208, Hawaiian Homes Commission Act, 1920, as amended, and subject to any applicable terms and conditions of the assignment, including but not limited to the approval of a loan.

2. To approve and accept that the transferees are of no less than the required 25% or 50% Hawaiian ancestry as appropriate pursuant to Section 208, Hawaiian Homes Commission Act, 1920, as amended.

DISCUSSION

Sixteen (16) assignments of lease.

1. Lessee Name: Bernadette E. Alvarado
Res. Lease No. 8884, Lot No. 43
Lease Date: 10/1/2004
Area: Hanapepe, Kauai
Property Sold & Amount: Yes, \$395,000.00
Improvements: 3 bedroom, 2 bath dwelling

Transferee Name: Keala K. Werner
Relationship: None
Loan Assumption: No
Applicant: Yes, Kauai IW Res., 2/23/2023

Reason for Transfer: "Sale." Special Conditions: Transferee to obtain funds to pay purchase price. See simultaneous transfer below.

2. Lessee Name: Keala K. Werner
Res. Lease No. 8884, Lot No. 43
Lease Date: 10/1/2004
Area: Hanapepe, Kauai
Property Sold & Amount: Yes, \$395,000.00
Improvements: 3 bedroom, 2 bath dwelling

Transferee Name: Steven K. Werner
Relationship: Son
Loan Assumption: No
Applicant: No

Reason for Transfer: "Giving lease to relative." Special
Conditions: Transferee to obtain funds to pay purchase
price.

3. Lessee Name: Amber K. Lewis
Res. Lease No. 8865, Lot No. 24
Lease Date: 5/1/1998
Area: Hanapepe, Kauai
Property Sold & Amount: Yes, \$130,000.00
Improvements: 2 bedroom, 1 bath dwelling

Transferee Name: Bernadette E. Alvarado
Relationship: Aunt
Loan Assumption: No
Applicant: No

Reason for Transfer: Giving lease to relative." Special
Conditions: Transferee to obtain funds to pay purchase
price.

4. Lessee Name: Tinamarie K. K. Cura
Res. Lease No. 11585, Lot No. 18599
Lease Date: 12/13/2008
Area: Kanehili, Oahu
Property Sold & Amount: Yes, \$500,000.00
Improvements: 2 bedroom, 2 bath dwelling

Transferee Name: Lucy K. Pascua
Relationship: None
Loan Assumption: No
Applicant: Yes, Oahu IW Res., 7/01/2009

Reason for Transfer: "Selling home." Special Conditions:
Transferee to obtain funds to pay purchase price. See
simultaneous transfer below.

5. Lessee Name: Lucy K. Pascua
Res. Lease No. 11585, Lot No. 18599
Lease Date: 12/13/2008
Area: Kanehili, Oahu
Property Sold & Amount: Yes, \$500,000.00
Improvements: 2 bedroom, 2 bath dwelling

Transferee Name: Shawnise K. Beauford
Relationship: Granddaughter
Loan Assumption: No
Applicant: No

Reason for Transfer: "Giving lease to relative." Special
Conditions: Transferee to obtain funds to pay purchase
price.

6. Lessee Name: Oswin W. P. T. Daimaru
Res. Lease No. 4780, Lot No. 12
Lease Date: 7/8/1978
Area: Waiakea, Hawaii
Property Sold & Amount: No, N/A
Improvements: 4 bedroom, 2 bath dwelling

Transferee Name: Oswin W. P. T. Daimaru & Junette P. M. Wong
Yuen
Relationship: Lessee & Sister
Loan Assumption: No
Applicant: No

Reason for Transfer: "Adding relative to lease."

7. Lessee Name: Bradley E. Jeremiah
Res. Lease No. 4249, Lot No. 400
Lease Date: 3/22/1977
Area: Keaukaha, Hawaii
Property Sold & Amount: No, N/A
Improvements: 3 bedroom, 2 bath dwelling

Transferee Name: Bryan E. Jeremiah
Relationship: Brother
Loan Assumption: No
Applicant: Yes, Hawaii IW Res., 11/3/2021

Reason for Transfer: "Giving lease to relative."

8. Lessee Name: Keohokui A. Kauihana
Res. Lease No. 8691, Lot No. 29
Lease Date: 7/15/1996
Area: Anahola, Kauai
Property Sold & Amount: Yes, \$375,000.00
Improvements: 4 bedroom, 2 bath dwelling

Transferee Name: Henry D. K. Long, IV
Relationship: None
Loan Assumption: No
Applicant: Yes, Kauai IW Res., 3/28/2022

Reason for Transfer: "Medical reasons." Special Conditions:
Transferee to obtain funds to pay purchase price.

9. Lessee Name: Norman L. Kauwe
Res. Lease No. 2274, Lot No. 56
Lease Date: 11/30/1949
Area: Waimanalo, Oahu
Property Sold & Amount: No, N/A
Improvements: 5 bedroom, 2 bath dwelling

Transferee Name: Delvin H. M. Wilson
Relationship: Nephew
Loan Assumption: No
Applicant: Yes, Hawaii IW Res., 7/13/1987

Reason for Transfer: "Giving lease to relative."

10. Lessee Name: James K. Kometani
Res. Lease No. 12127, Lot No. 16996
Lease Date: 1/25/2008
Area: Kaupea, Oahu
Property Sold & Amount: Yes, \$160,218.00
Improvements: 3 bedroom, 2 bath dwelling

Transferee Name: Lorna M. H. Kometani
Relationship: Mother
Loan Assumption: No
Applicant: No

Reason for Transfer: "Giving lease to relative." Special
Conditions: Transferee to obtain funds to pay purchase
price.

11. Lessee Name: Hannah K. Lalawai
Res. Lease No. 6709, Lot No. 41
Lease Date: 3/14/1995
Area: Waianae, Oahu
Property Sold & Amount: Yes, \$375,000.00
Improvements: 4 bedroom, 2 bath dwelling
- Transferee Name: Corinna K. K. L. Kyle & Abraham O. Kyle, III
Relationship: Daughter & Son-in-law
Loan Assumption: No
Applicant: Yes, Oahu IW Res., 7/3/1997 (Corinna)
- Reason for Transfer: "Giving lease to relative."
12. Lessee Name: Kalena Chasity K. Nakamura
Res. Lease No. 3157, Lot No. 15-A
Lease Date: 3/14/1958
Area: Waimanalo, Oahu
Property Sold & Amount: No, N/A
Improvements: 2 bedroom, 2 bath dwelling
- Transferee Name: Hapaki R. K. Nakamura
Relationship: Husband
Loan Assumption: No
Applicant: No
- Reason for Transfer: "Giving lease to relative."
13. Lessee Name: Georgian P. K. C. Palakiko
Res. Lease No. 378, Lot No. 97
Lease Date: 11/25/1930
Area: Nanakuli, Oahu
Property Sold & Amount: No, N/A
Improvements: 4 bedroom, 1 bath dwelling
- Transferee Name: Keesha Lynn L. Palakiko & Ashley M. S. N. Vilorio
Relationship: Nieces
Loan Assumption: No
Applicant: Yes, Oahu IW Res., 9/23/2016 (Keesha)
Yes, Hawaii IW Res., 10/31/2007 (Ashley)
- Reason for Transfer: "Giving lease to relatives."

14. Lessee Name: Relda S. Palenapa
 Res. Lease No. 2864, Lot No. 42-A-1
 Lease Date: 2/10/1954
 Area: Waimanalo, Oahu
 Property Sold & Amount: No, N/A
 Improvements: 4 bedroom, 2 bath dwelling
- Transferee Name: Relda S. Palenapa & Joseph J. L. K. Palenapa
 Relationship: Lessee & Son
 Loan Assumption: No
 Applicant: Yes, Oahu IW Res., 2/26/2021 (Relda)
 Yes, Oahu IW Res., 10/19/2021 (Joseph)
- Reason for Transfer: "Adding relative to lease."
15. Lessee Name: Norman S. K. Wilson, Jr.
 Res. Lease No. 1704, Lot No. 55
 Lease Date: 6/28/1946
 Area: Waimanalo, Oahu
 Property Sold & Amount: No, N/A
 Improvements: 3 bedroom, 2 bath dwelling
- Transferee Name: Kevin K. Wilson
 Relationship: Son
 Loan Assumption: No
 Applicant: Yes, Oahu IW Res., 5/24/2022
- Reason for Transfer: "Giving lease to relative."
16. Lessee Name: Annabelle K. Y. Evans
 Res. Lease No. 13008, Lot No. 10
 Lease Date: 5/5/2023
 Area: Anahola, Kauai
 Property Sold & Amount: No, N/A
 Improvements: None
- Transferee Name: Brian K. Russell
 Relationship: Son
 Loan Assumption: No
 Applicant: No
- Reason for Transfer: "Giving lease to relative."


Assignments for the Month of September `23	16
Previous FY '23 - '24 balance	<u>12</u>
FY '23 - '24 total to date	28


Assignments for FY '22 - '23	179
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STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18, 2023

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, Administrator
Homestead Services Division 

FROM: Ross K. Kapeliela, Acting ODO Supervisor 
Homestead Services Division

SUBJECT: **Approval of Amendment of Leasehold Interest**

RECOMMENDED MOTION/ACTION

To approve the amendment of the leasehold interest listed below.

DISCUSSION

Ten (10) amendments of lease.

1. Lessee: Lydia K. Cluney
Agr. Lease No.: 2355
Lot No., Area, Island: 36-E1&2, Hoolehua, Molokai
Amendment: To amend the property description.
(Transfer Through Successorship)

2. Lessee: Rhonda K. Kahalewai & Solomon K. Kahalewai
Agr. Lease No.: 121
Lot No., Area, Island: 64, Hoolehua, Molokai
Amendment: To amend the lease title and lessor's name, update the property description, to incorporate the currently used terms, conditions, and covenants to the lease, and to extend the lease term to an aggregate term of 199 years.
(Amendment to extend the terms)

3. Lessee: Noelani A. Kapuni
Res. Lease No.: 3082
Lot No., Area, Island: 338-A, Keaukaha, Hawaii
Amendment: To amend the lease title and lessor's name, to incorporate the currently used terms, conditions, and covenants to the lease, to update the lease number and to extend the lease term to an aggregate term of 199 years.
(Transfer Through Successorship)
4. Lessee: Norman L. Kauwe
Res. Lease No.: 2274
Lot No., Area, Island: 56, Waimanalo, Oahu
Amendment: To amend the lease title and lessor's name, update the property description, to incorporate the currently used terms, conditions, and covenants to the lease, and to extend the lease term to an aggregate term of 199 years.
(Transfer)
5. Lessee: Corina N. K. Gomes, Andrew M. K. Gomes, & Precious L. K. Keahi
Res. Lease No.: 3880
Lot No., Area, Island: 80, Kalamaula, Molokai
Amendment: To amend the lease tenancy from joint tenants to tenants in common due to the surrender of a joint tenant interest. (Amendment)
6. Lessee: Tracy M. Lishman
Agr. Lease No.: 119
Lot No., Area, Island: 12, Hoolehua, Molokai
Amendment: To amend the lease title and lessor's name, update the property description, to incorporate the currently used terms, conditions, and covenants to the lease, and to extend the lease term to an aggregate term of 199 years.
(Amendment to extend the terms)

7. Lessee: Kalena Chasity K. Nakamura
Res. Lease No.: 3157
Lot No., Area, Island: 15-A, Waimanalo, Oahu
Amendment: To amend to incorporate the currently used terms, conditions, and covenants to the lease, and to extend the lease term to an aggregate term of 199 years.
(Transfer)
8. Lessee: Francis K. Naeole
Agr. Lease No.: 110
Lot No., Area, Island: 8-A, Hoolehua, Molokai
Amendment: To amend the lease title and lessor's name, update the property description, to incorporate the currently used terms, conditions, and covenants to the lease, and to extend the lease term to an aggregate term of 199 years.
(Amendment to extend the terms)
9. Lessee: David F. Sasada, Ronald M. Sasada & Leif A. Sasada
Agr. Lease No.: 131
Lot No., Area, Island: 20, Hoolehua, Molokai
Amendment: To amend the lease title and lessor's name, update the property description, to incorporate the currently used terms, conditions, and covenants to the lease, and to extend the lease term to an aggregate term of 199 years.
(Amendment to extend the terms)

10.	Lessee:	Lymey K. Wilson
	Res. Lease No.:	1704
	Lot No., Area, Island:	55, Waimanalo, Oahu
	Amendment:	To amend the lease to update the property description. (Transfer Through Successorship)

Amendments for the Month of September '23	10
Previous FY '23 - '24 balance	<u>7</u>
FY '23 - '24 total to date	17
 Amendments for FY '22 - '23	 88

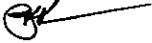
STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

September 18, 2023

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Juan Garcia, Administrator
Homestead Services Division

FROM: Ross K. Kapeliela, Acting ODO Supervisor 
Homestead Services Division

SUBJECT: **Approval to Issue a Non-Exclusive License for Rooftop Photovoltaic Systems for Certain Lessees**

RECOMMENDED MOTION/ACTION

To approve the issuance of a non-exclusive license to allow the Permittee to provide adequate services related to the installation, maintenance, and operation of a photovoltaic system on the premises leased by the respective Lessees.

The non-exclusive license is necessary as the Lessee can not issue his/her own licenses.

DISCUSSION

Sixteen (16) non-exclusive licenses.

1. Lessee: Ada A. Amina
Res. Lease No.: 3772
Lot No., Area, Island: 308, Nanakuli, Oahu
Permittee: Sunrun Installation Services, Inc.
2. Lessee: Catherine R. Carpenter
Res. Lease No.: 5501
Lot No., Area, Island: 68, Lualualei, Oahu
Permittee: Sunrun Installation Services, Inc.

3. Lessee: Erika Hassard
Res. Lease No.: 12752
Lot No., Area, Island: 13784, Maluohai, Oahu
Permittee: Sunrun Installation Services, Inc.
4. Lessee: Nathan M. Hussey, III
Res. Lease No.: 11488
Lot No., Area, Island: 13, Lealii, Maui
Permittee: Sunrun Installation Services, Inc.
5. Lessee: Alisa-Lei K. Keopuhiwa
Res. Lease No.: 6794
Lot No., Area, Island: 11-C, Keaukaha, Hawaii
Permittee: Sunrun Installation Services, Inc.
6. Lessee: Cramer L. H. Mahoe
Res. Lease No.: 1408-A
Lot No., Area, Island: 113B, Keaukaha, Hawaii
Permittee: Sunrun Installation Services, Inc.
7. Lessee: Loushell L. Mahoe
Res. Lease No.: 4460
Lot No., Area, Island: 82, Waianae, Oahu
Permittee: Solar Tech Industries
8. Lessee: Michael K. Park
Res. Lease No.: 12542
Lot No., Area, Island: 29, Lalamilo, Hawaii
Permittee: Sunrun Installation Services, Inc.
9. Lessee: Marsha L. Pauline
Res. Lease No.: 4796
Lot No., Area, Island: 9, Waiakea, Hawaii
Permittee: Sunrun Installation Services, Inc.
10. Lessee: Sherri-Ann L. Rufino
Res. Lease No.: 11939
Lot No., Area, Island: 17109, Kaupea, Oahu
Permittee: Malama Solar

11. Lessee: Anna M. Sacay
Res. Lease No.: 9299
Lot No., Area, Island: 86, Kaniohale, Hawaii
Permittee: Sunrun Installation Services, Inc.

12. Lessee: Douglas K. Sheldon, Sr.
Res. Lease No.: 12748
Lot No., Area, Island: 13804, Maluohai, Oahu
Permittee: Sunrun Installation Services, Inc.

13. Lessee: Ethel P. Sinclair
Res. Lease No.: 8648
Lot No., Area, Island: 51, Waianae, Oahu
Permittee: Sunrun Installation Services, Inc.

14. Lessee: Mark K. Solomon
Res. Lease No.: 8174
Lot No., Area, Island: 18, Waimanalo, Oahu
Permittee: Sunrun Installation Services, Inc.

15. Lessee: Leona L. Souza
Res. Lease No.: 11284
Lot No., Area, Island: 13, Kumuhau, Oahu
Permittee: Sunrun Installation Services, Inc.

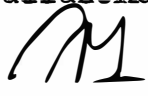

16. Lessee: Charlotte P. Young
Res. Lease No.: 4489
Lot No., Area, Island: 81-B, Nanakuli, Oahu
Permittee: Sunrun Installation Services, Inc.

Non-Exclusive License for the Month of September '23	16
Previous FY '23 - '24 balance	<u>22</u>
FY '23 - '24 total to date	38
 Non-Exclusive License for FY '22 - '23	 102

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

September 19, 2023

TO: Chairman and Members, Hawaiian Homes Commission Juanito
THROUGH: Garcia, HSD Administrator 
FROM: Dean Oshiro, Loan Services Branch Manager  Approval to
SUBJECT: Approval to Postpone Direct Loan Payments for those Maui
Lessees who have Been Impacted by the Lahaina Wildfires.

RECOMMENDED MOTION/ACTION

Approve the postponing of mortgage loan payments for those Maui lessees who have impacted by the wildfires in Lahaina on Maui for up to six (6) months with an additional six (6) months by approval from the Loan Services Branch for continued cause, beginning with their August 2023 payment and to waive any late fee that may have been assessed. Eligible reasons for the deferral to be granted may include but are not limited to:

- 1) Lessee's home was damaged by the fire or smoke;
- 2) Loss of employment;
- 3) Reduction in income due to a reduction in work hours;
- 4) Job related furlough;
- 5) Leave of absence from work to provide child or elderly care for an immediate family member;
- 6) Unexpected expenses related to damages from the fire.

DISCUSSION

This request is to mirror the action approved by the Hawaiian Homes Commission in April 2020 which allowed the postponing of mortgage payments due to the COVID 19 pandemic. The term(s) of the postponement were exactly the same as being recommended on this motion.

The Hawaiian Homes Act ("HHCA") Section 215 (2) reads....
"The payment of any installment due shall be postponed in whole or in part by the department for such reasons as it deems good and sufficient and until such later date as it deems advisable. Such postponed payments shall continue to bear interest on the unpaid interest on the unpaid principal at the rate established for the loan."

As the Lahaina wildfire of August 8th tragically impacted thousands and due to the unknown timeframe for all to recover, lessees/borrowers may have been or will be affected. Individuals may have had a loss of employment, have had a reduction in income due to work hours being decreased, have taken time off (maybe without pay) to care for themselves or family members while dealing with the aftermath of this tragedy, as well as other various reasons.

As of August 31, 2023, there were a reported 111 loans totaling some \$15.3 million in DHHL's direct loan portfolio for Maui. These loans are being serviced by staff of the Loan Services Branch ("LSB").

As such, LSB is recommending a "deferral of mortgage payments" for a period of up to six (6) months with the authority to extend the deferral for an additional six (6) months for just cause for department serviced loans. Borrowers/lessees shall provide to the Department documentation to fulfill one of the eligible reasons to qualify for the deferral.

We humbly request approval of this item as submitted.

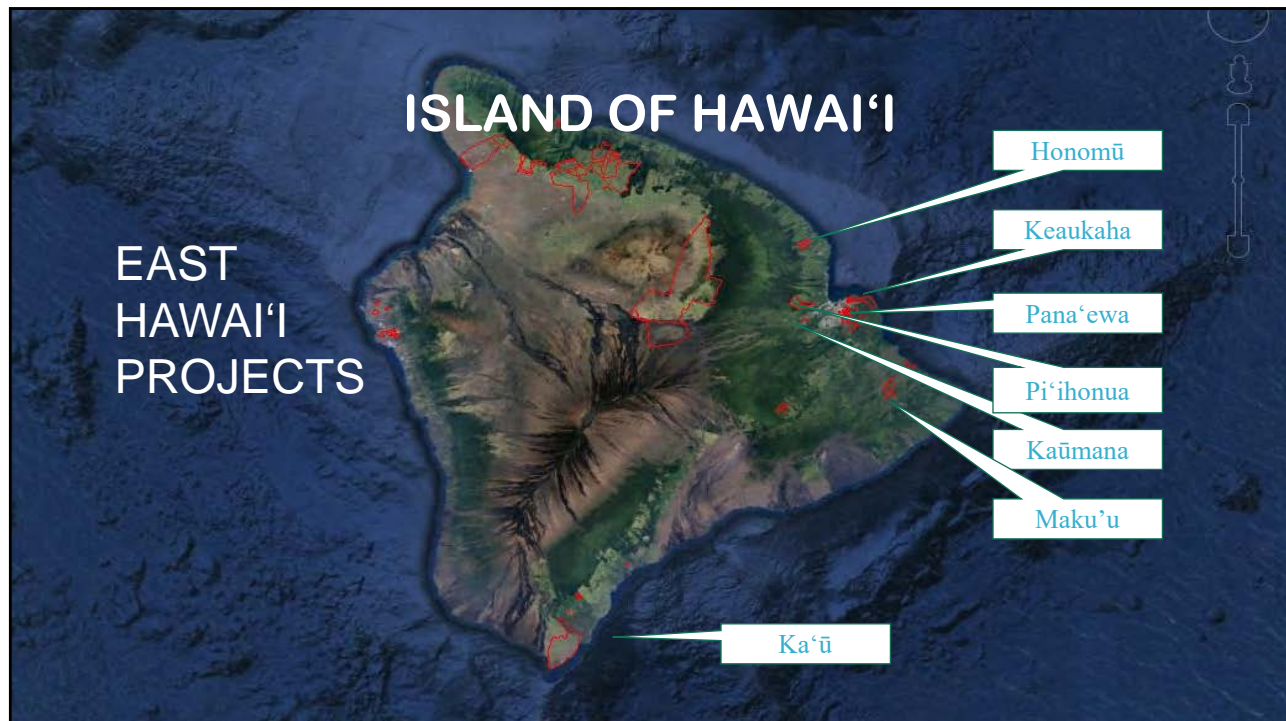
HAWAIIAN HOMES COMMISSION
SEPTEMBER 18 & 19, 2023

E – ITEMS

LAND DEVELOPMENT DIVISION



1



2

Honomū Subsistence Agriculture Phase 1

- **Phase 1:** 16 one-acre subsistence ag lots
- Contract awarded in March 2021 to Isemoto Contracting: \$2,642,388
- Construction started April 1, 2022
- *Scheduled Completion Date: 1st Quarter 2024

*Schedules subject to change

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

3

Honomū Subsistence Agriculture Phase 1

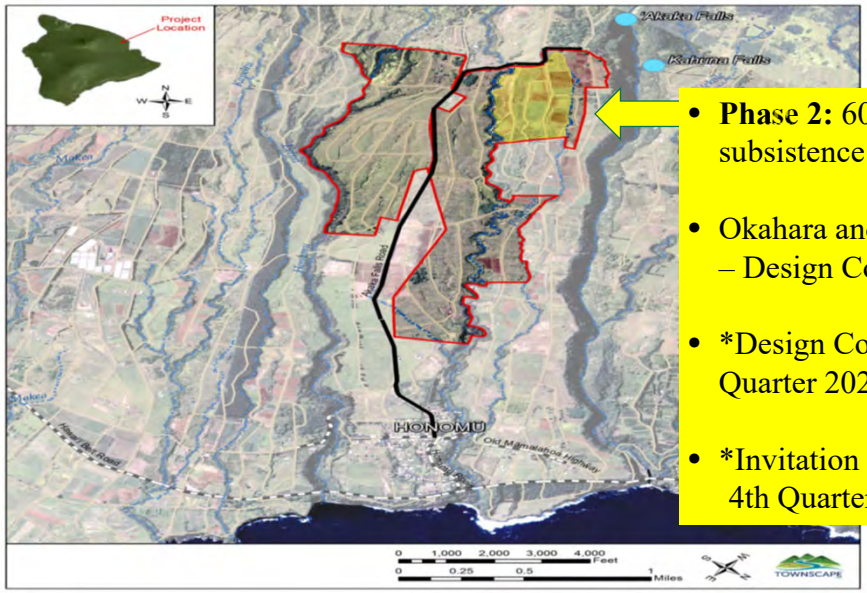
16 Subsistence Agriculture lots for award

Minimum lot size: 1 acre

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

4

Honomū Subsistence Agriculture Phase 2



- Phase 2:** 60 one-acre subsistence ag lots
- Okahara and Associates, Inc – Design Consultant
- *Design Completion: 3rd Quarter 2024
- *Invitation for bid: 4th Quarter 2024


*Schedule subject to change

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

5

Honomū Subsistence Agriculture Phase 2

60 one-acre Lots for Award

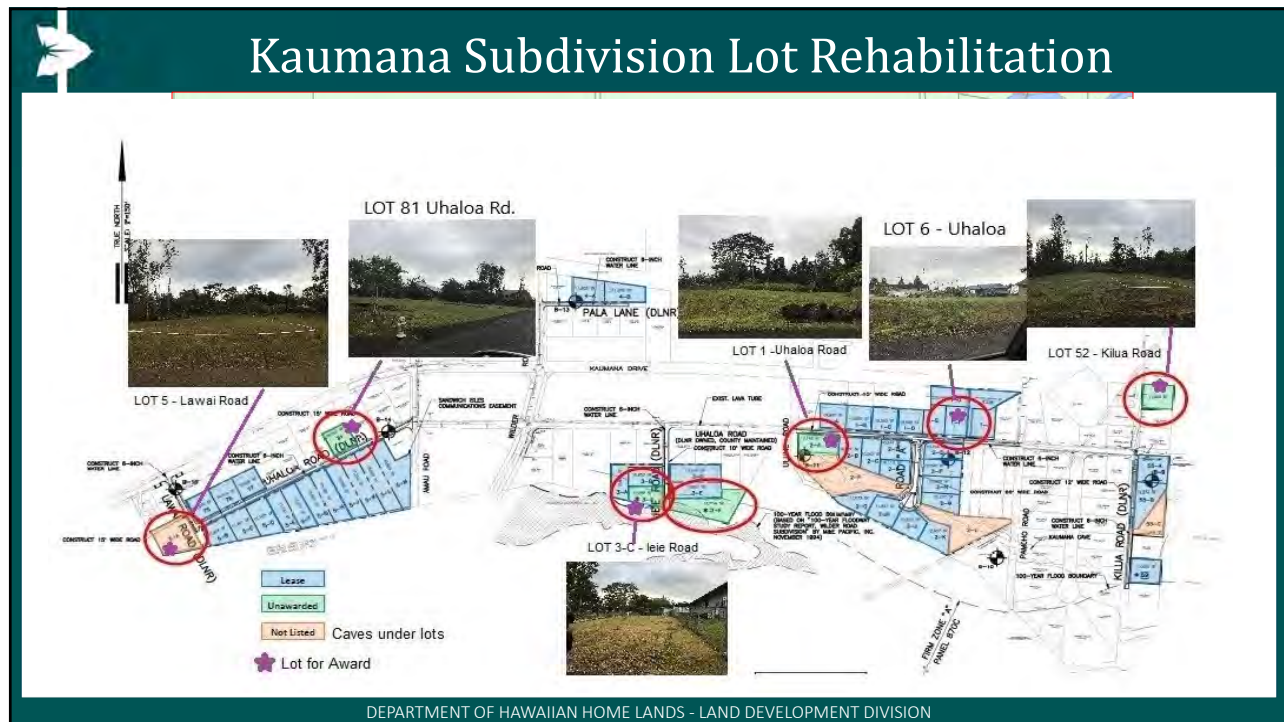


Preliminary Layout,

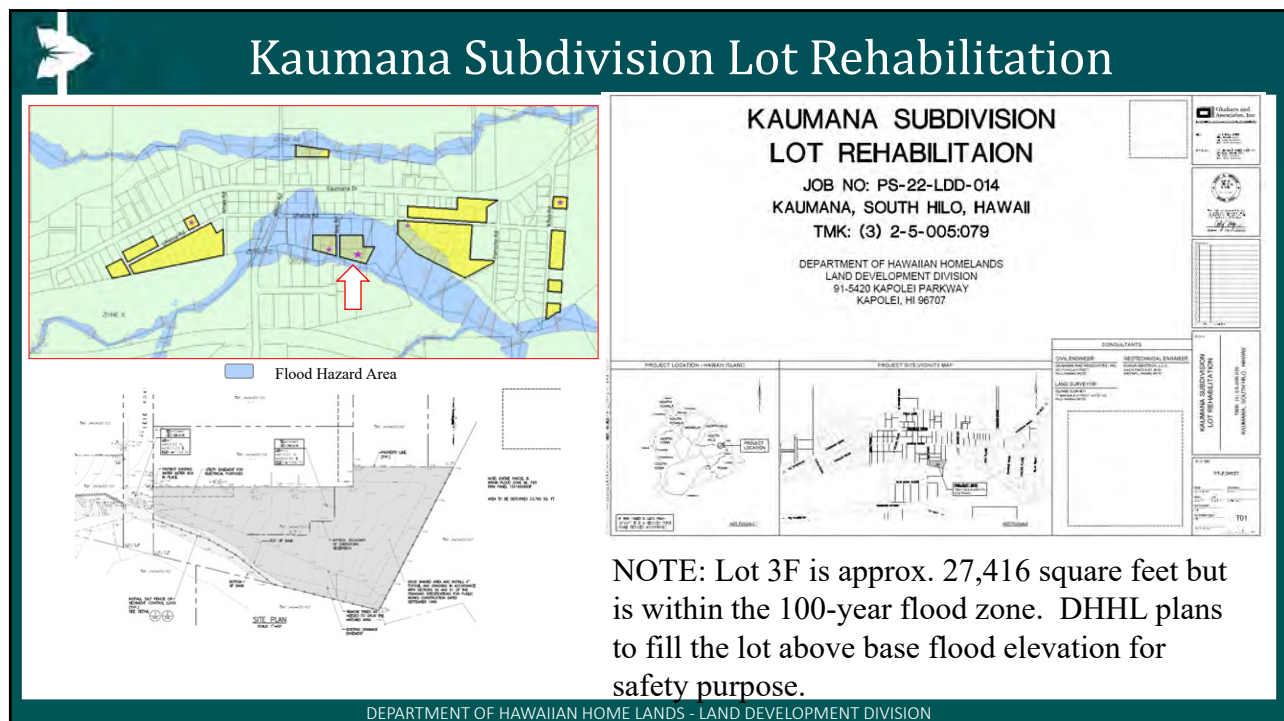
Subject to Change including but not limited to topography, soils, drainage, flora, fauna, and historic properties.

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

6



7



8

Kaumana Land Acquisition

Size: Approx. 121 acres
 Acquisition Price: \$2,000,000
 Transaction completed 3/31/23

Long term maintenance and traffic concerns

Google Earth
 Image © 2023 Airbus
 Image © 2023 Maxar Technologies

Acquisition Parcel
 Existing HHL

2 mi

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

9

Kaumana Land Acquisition

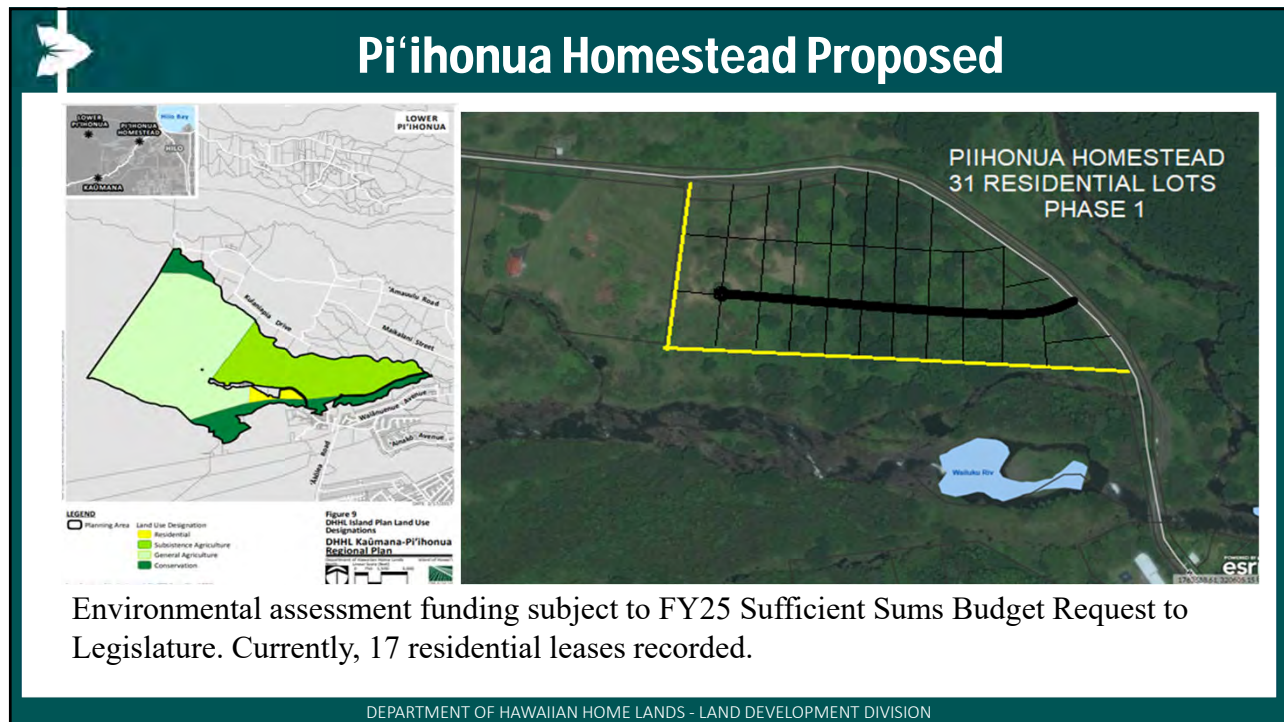
Approx. 121 acres of land acquired on 3/31/23 for \$2,000,000 including Puainako Street Extension improvements.

Parcel ID: 250450190000	Site/Physical Address: PUAINAKO STREET EXTENSION	Market Land Value	\$435,300	Last 2 Sales		
Acres: 29.217	Mailing Address: DEPARTMENT OF HAWAIIAN HOME LANDS	Dedicated Use Value	\$0	Date	3/24/2023	Price
Class: AGRICULTURAL		Land Exemption	\$0		\$484,720	Reason
		Net Taxable Land Value	\$435,300		12/14/2022	0
		Assessed Building Value	\$0			RELATED INDIVIDUALS OR CORPORATIONS U
		Building Exemption	\$0			
		Net Taxable Building Value	\$0			
		Total Taxable Value	\$435,300			

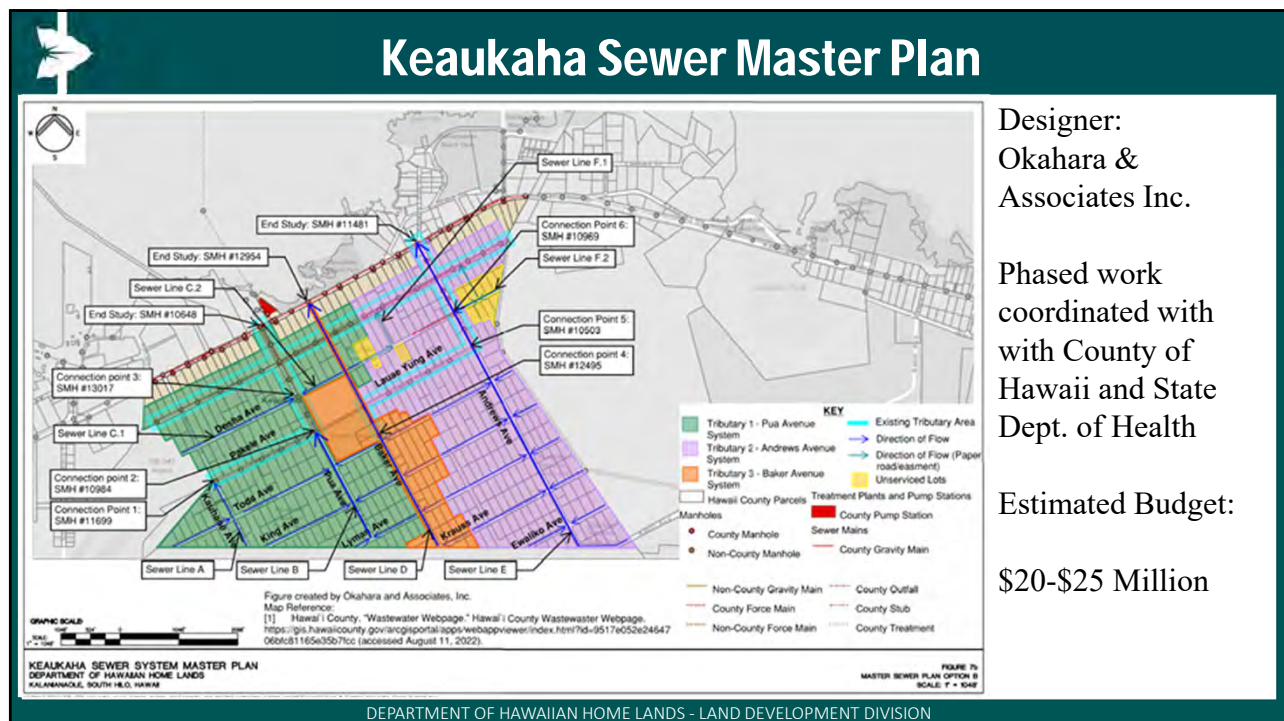
Brief Tax Description: 0.525 AC LOT 346 DROPPED INTO ROADWAY R/D AREA B/DRY (Note: Not to be used on legal documents)

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Keaukaha Phase 1 Sewer Improvements



COH existing sewer lines




10 Affected lots – 4 vacant DHHL lots

PHASE 1 - KEAUKAHA SEWERLINE

DESHA AVENUE CONNECT TO ANDREWS AVENUE 10" SEWERLINE HILO, HAWAII 96720

DEPARTMENT OF HAWAIIAN HOME LANDS
LAND DEVELOPMENT DIVISION
91-5420 KAPOLEI PARKWAY
KAPOLEI, HI 96707

PROJECT SITE VICINITY MAP



CONSULTANTS

ONE CREATOR

LAND DEVELOPMENT DIVISION

APPROVALS

Scope of Work:
Instead of installing Septic Tanks, the new sewer line will allow for connection and assist with the closure of cesspools per ACT 125.

Contract awarded to Sanborn General Contracting, Inc.
Cost: \$450,210
Notice: Work to begin in late October, 2022 anticipating completion by December, 2022

Cesspool closure are deemed to be the Lessee responsibility

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Cesspool Investigation

Background :
Act 125, Session Laws of Hawaii, 2017 requires upgrade and conversion to Individual Wastewater System (septic system), or sewer connection of all cesspools by 2050, unless exempted. Proximity to ground water, stream, or ocean may require an aerobic treatment unit, subject to Department of Health approval.

Objective: Confirm homestead lots with cesspools. Of over 2,500 cesspools statewide, over 900 cesspools on DHHL properties on Hawaii Island.

Scope of Work:

- Ground and drone survey and identification of DHHL lots with existing cesspools on DHHL Hawaii Island project areas, including Keaukaha (over 200 cesspools) and Panaewa (over 300 cesspools).
- Provide assessment report and data base, consistent with Cesspool Investigations, statewide.
- Ground survey schedule pending completion of other DHHL homesteads, statewide.

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Hawaii Community College Model Homes Project

- February 2022
 - Hawaiian Homes Commission Approved 5-Year Agreement Renewal
- July 2022
 - 5-Year Agreement Executed with Hawaii Community College
- Current DHHL Model Home (Fiscal Year 2023-2024)
 - 25 model homes completed in Keaukaha
 - 1 model home completed construction May 2023
 - 1 model home currently preparing for 2023-2024

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Hawaii Community College Model Homes Project



DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Hawaii Community College Model Homes Project

HCC Home No. 25
354 Nahale-A Ave.
(Completed May 2023)



DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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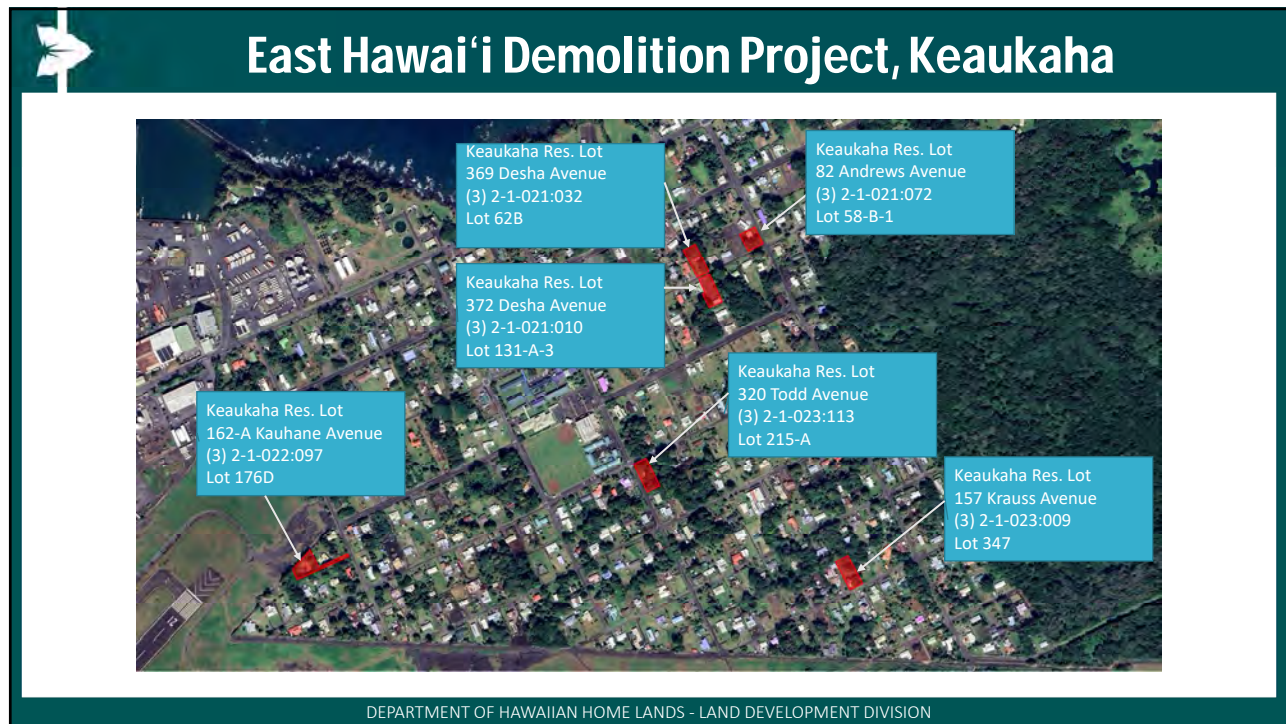
Hawai'i Island Structure Demolition Project

- In 2021, Chairman Aila approved multiple structure demolitions due to deterioration, hazardous materials and structures without proper permitting.
Estimated remediation costs would outweigh the appraised value.

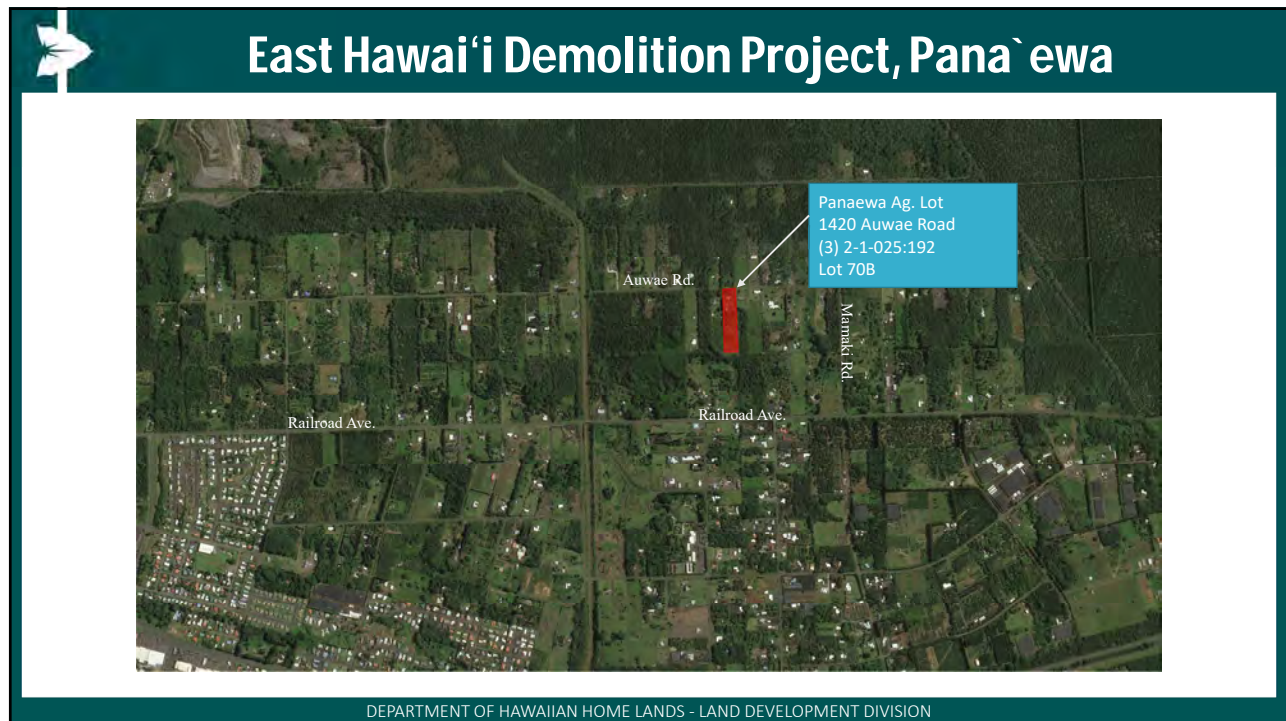
- 6 properties in Keaukaha
- 1 property in Panaewa
- Island Demo, Inc.
 - Contract signed- Late January 2023
- Pending Commencement of Demolition
 - Permits requires SHPD concurrence
- Est. Construction Schedule- 6 months after Notice to Proceed

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

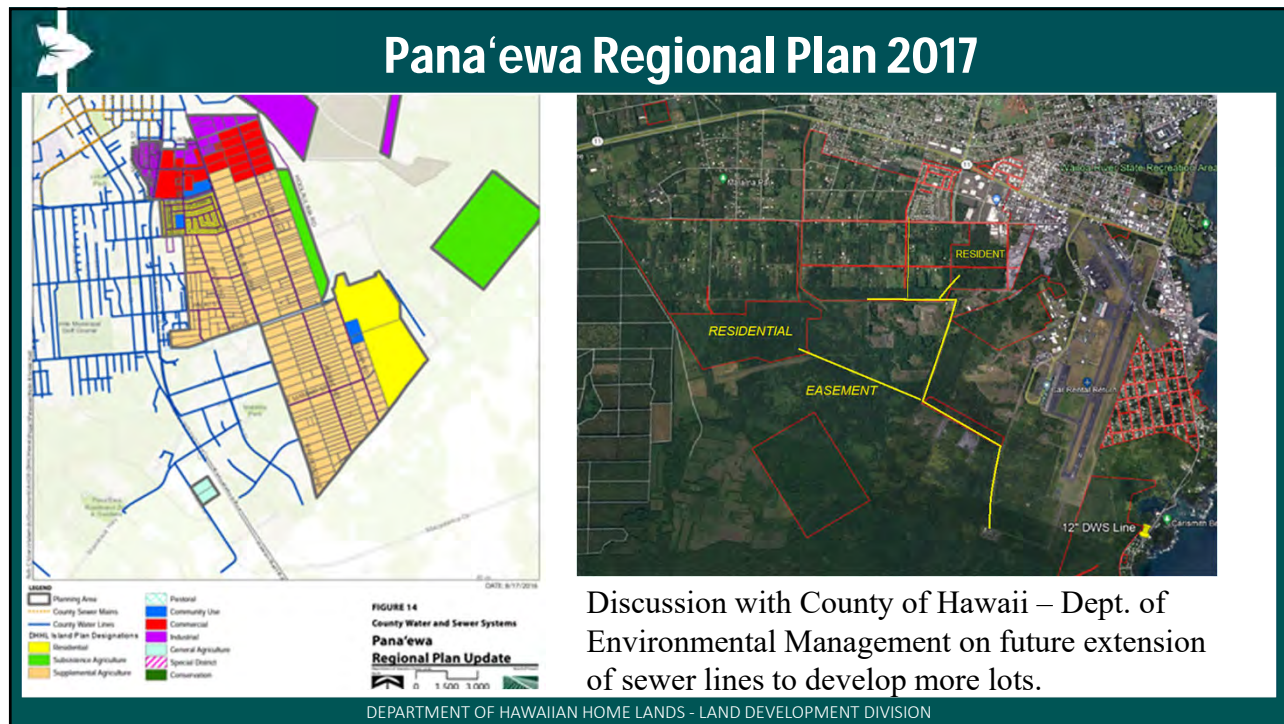
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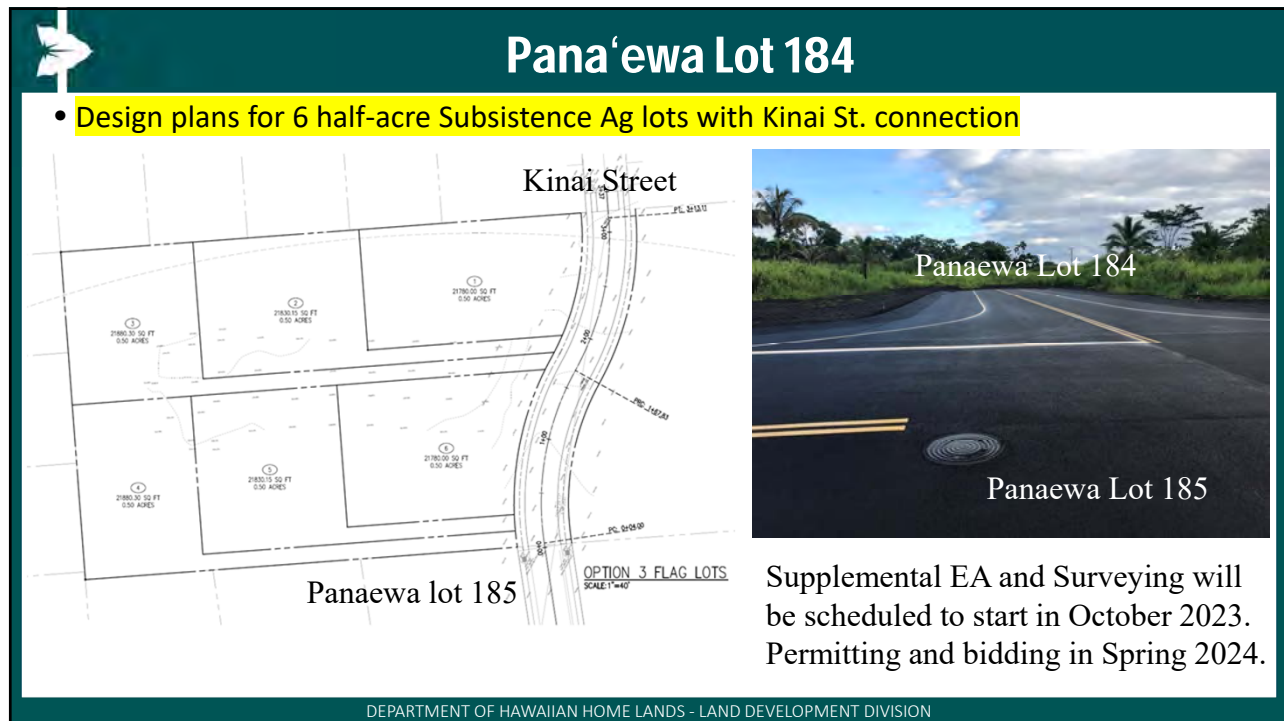
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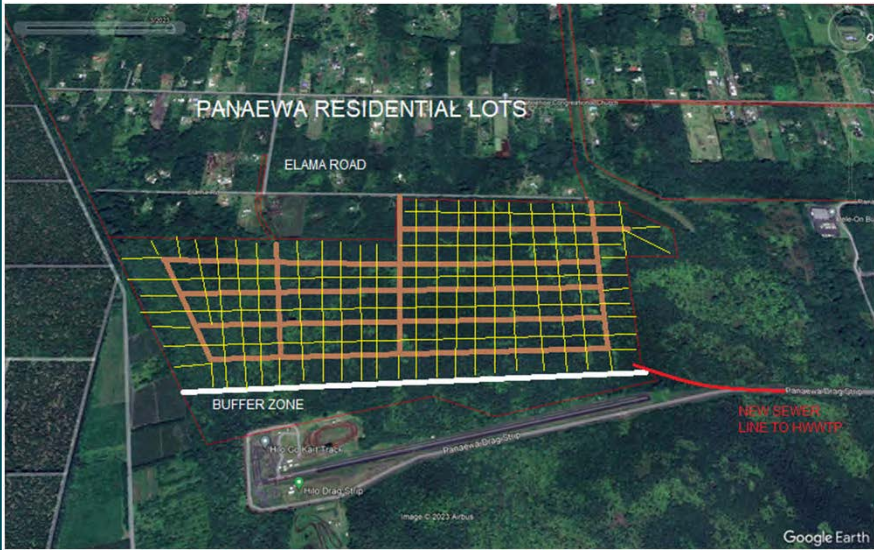


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22

Pana'ewa Elama Road Subdivision Proposed




If sewer line infrastructure installed from HWWTP to the Elama Road Subdivision approx. 300 Residential Lots can be developed. Water and Electrical power is available

Drawback is having the drag strip nearby where a buffer zone of trees should be left in place due to noise.

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Pana'ewa Auwae Road Subdivision Proposed

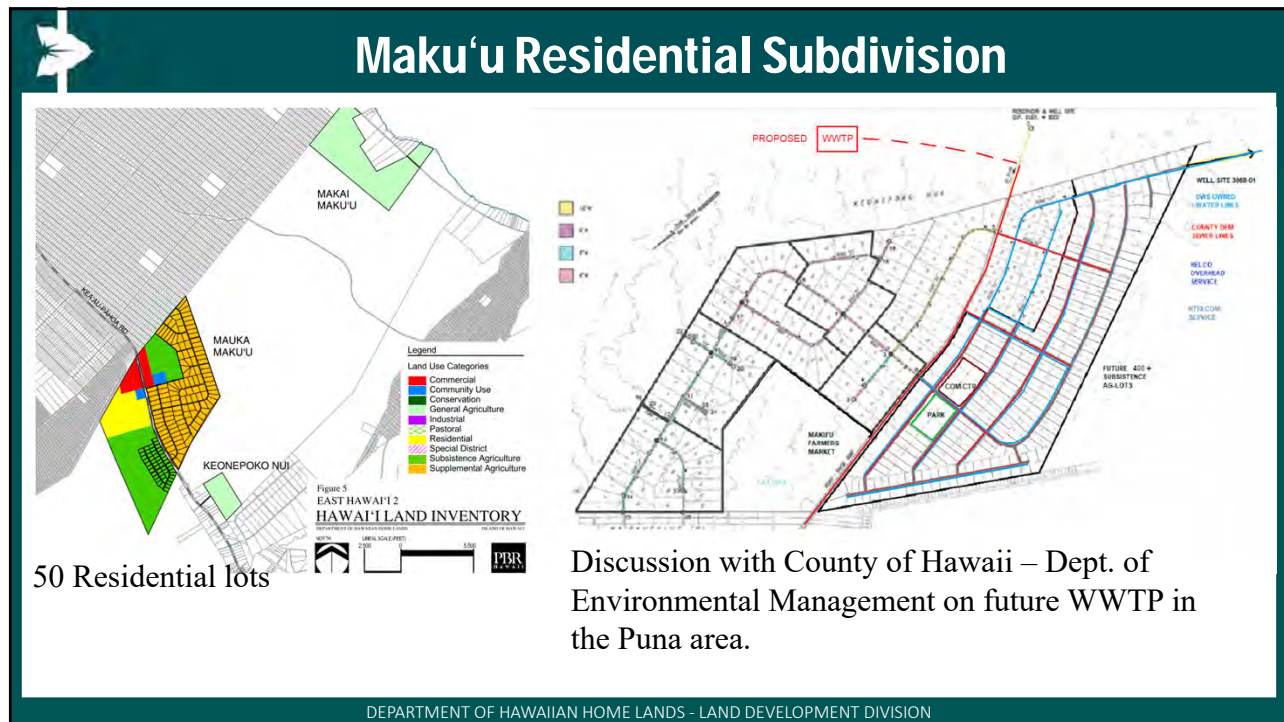


Auwae Road has four – 10-acre lots which can be subdivided to create 48 subsistence-ag lots.

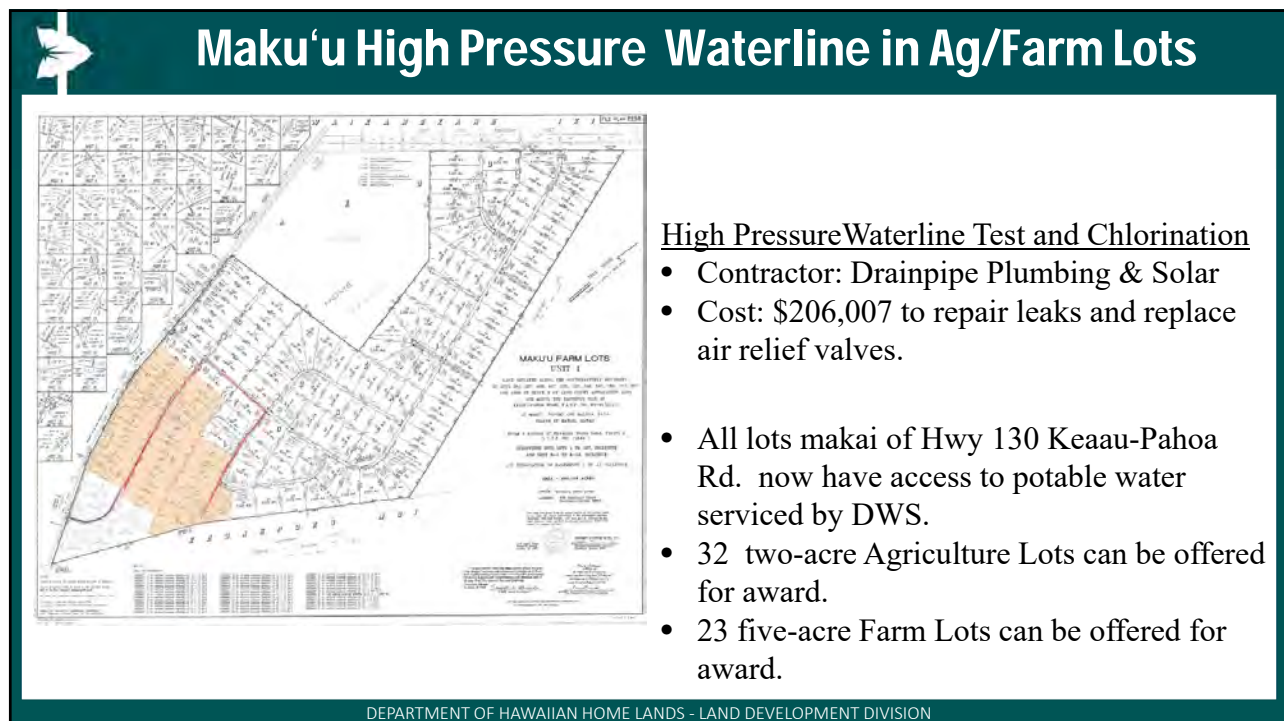
Development required funding.

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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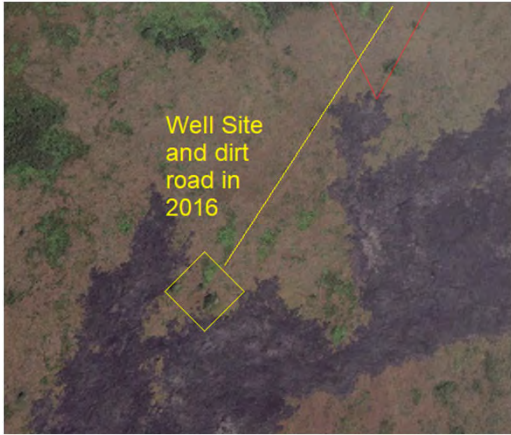
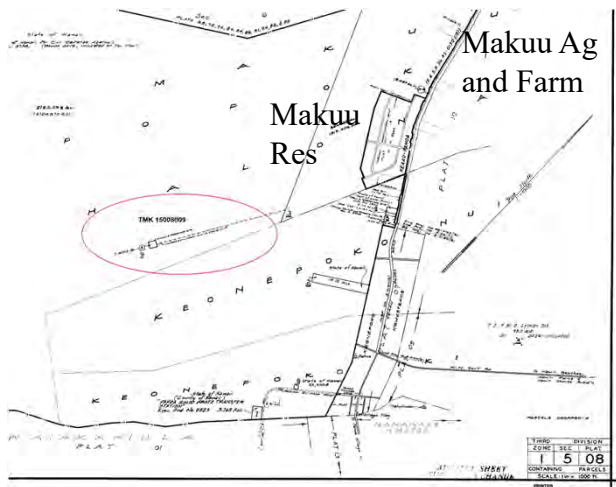


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Maku'u Well Site

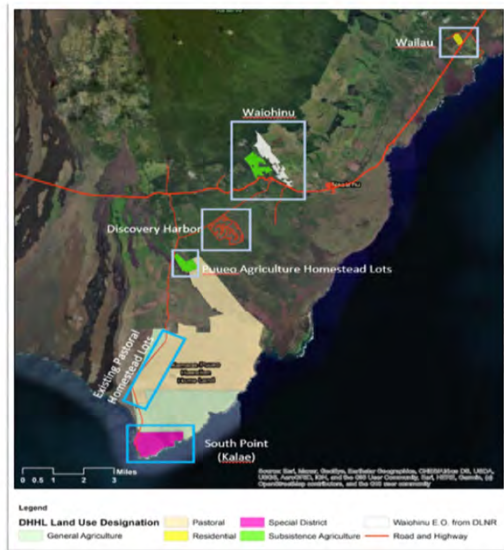
Exploring partnership with COH-DWS on joint application for Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) funding.

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Puu'e'o Agriculture Lots


- 25 Puu'e'o Agriculture lots Offered for award in 1986, under "Acceleration Program"
- 12 Puu'e'o Agriculture lots awarded with no infrastructure.
- FY 24 Development Budget sets aside \$6,000,000 for planning, design and construction of infrastructure.
- Waiohinu land not conveyed to DHHL. New lots not possible at this time.



DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Discovery Harbour



Naalehu, Kau, Island of Hawaii

Total DHHL Properties: 40 scattered lots

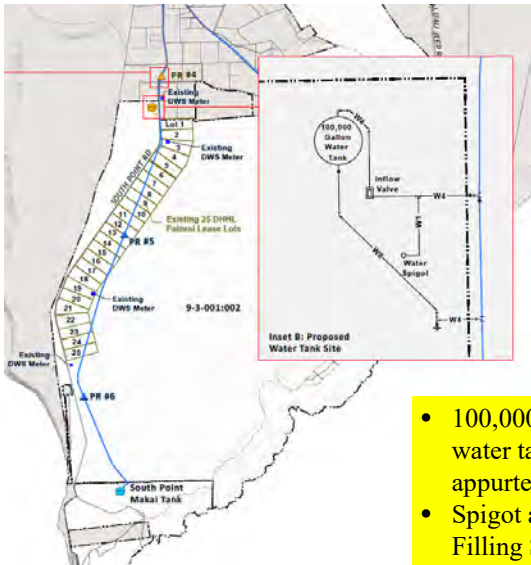
- 2 leases occupied
- 1 lot in recordation
- 7 lots in process
- 30 lots available for new residential awards

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Ka'ū Water System Improvements – Phase 1

- 100,000 gallon water storage tank and appurtenances, including a water filling station with spigot, on Hawaiian Home Lands.
- Construction Contract
 - Executed: 6/1/2021
 - Isemoto Contracting Co., Ltd.
 - \$2,736,327.00
- Construction
 - Started: January 2023
 - Scheduled Completion: December 2023



- 100,000 gallon water tank with appurtenances.
- Spigot at Water Filling Station.

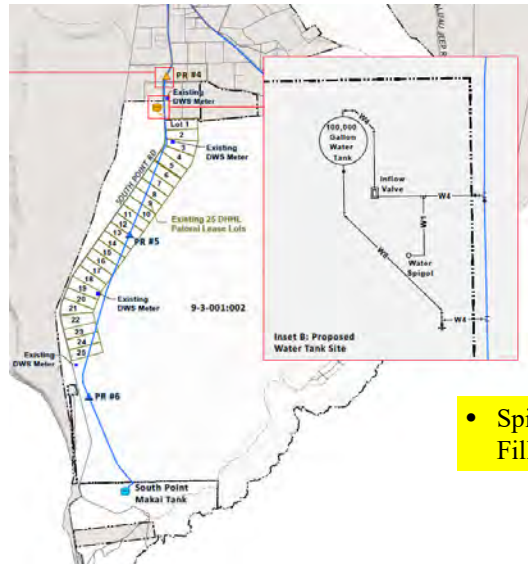
DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Ka'ū Water System Improvements – Water Filling Station

- Distribution Plan, construction as needed, and implementation
- Design and Construction Contracts
 - To be determined



*Schedule subject to change

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Ka'ū Water System Improvements– Phase 2

- Replacement/upgrade of Pressure Regulating Valve Stations (PRV/PR)
 - PR #1
 - PR #2
 - PR #3
 - PR #4
- \$60,000 Design/Consulting contract
 - Group 70 International, Inc.
 - Archaeological sub consultant: Keala Pono Consulting
- Estimated Construction Cost: \$500,000
- Pending Issues
 - Permission to access (DWS easement) private properties
 - Or re-assessment of project/approach



DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Ka'ū Water System Improvements – Future Phase(s)

- Relocate existing waterline from within lots, to the South Point Road right-of-way.
- Improve South Point Road to County of Hawaii standards and subdivide pastoral lots.
- Install water laterals for water meters to each of the 25 Pastoral Lots.
- Estimated cost: \$20,000,000.00
- Proposed request to Legislature in Fiscal Supplemental Budget 2024-2025

DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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Mahalo

DEPARTMENT OF HAWAIIAN HOME LANDS

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DEPARTMENT OF HAWAIIAN HOME LANDS - LAND DEVELOPMENT DIVISION

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STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023

To: Chairman and Members, Hawaiian Homes Commission
From: Stewart Matsunaga, Administrator, Land Development Division
Subject: Request for Qualifications Procurement Process



RECOMMENDED MOTION/ACTION

None, for information only.

BACKGROUND

Act 279, SLH 2022 appropriated \$600,000,000 in funds to address the needs of those on the DHHL waitlist and those beneficiaries still waiting to get on the land. The Hawaiian Homes Commission (HHC) has approved the *Strategic Approach to Implement Act 279 - August 2022*, which included:

For projects in the Engineering Design Phase, DHHL will explore Design-Build contract agreements utilizing Developer Agreements with private developers to expedite development timeframes.

DISCUSSION

Request for Proposals:

Land Development Division in the past has typically solicited development of infrastructure and/or housing construction through a Competitive Sealed Proposals process known as Request for Proposals (RFP) procurement process.

Previous development solicitations used the RFP process governed by Section 103D-303 which requires, "Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous, taking into consideration price and the evaluation factors set forth in the request for proposals." Prospective developers were thus required to expend time and effort to provide estimated development costs, and house plans and specifications. Some respondents have remarked that depending on the status of the project, they were speculating on material, labor, and shipping costs and market conditions perhaps two to five years into the future.

Request for Qualifications:

Under the current Administration, DHHL has explored and is utilizing an alternate approach through a Request for Qualifications (RFQ) approach, similar to that of Professional Services

procurement. Professional Services procurement is governed by Section 103D-304 and is further discussed below.

DHHL may issue a RFQ for projects identified in the *Strategic Approach to Implement Act 279*. Depending on the specific project requirements, the selected developer's responsibilities may include design and construction of on- and off-site infrastructure; and design, construction, financing, and marketing of single-family houses for sale or disposition under a rent-with-option-to-purchase program, and preparation of vacant lots for house construction by owner-builders or under a self-help program.

Request for Qualifications Process:

Solicitations for professional services are authorized by Section 103D-304 of the Hawai'i Revised Statutes ("HRS"), which requires "Contracts for professional services shall be awarded on the basis of demonstrated competence and qualification for the type of services required, and at fair and reasonable prices."

Similar to Professional Services procurement process, the RFQ process evaluates a prospective developer's track record and success in previous projects, current staffing and financial capabilities and capacity, and unique approaches or solutions to financial and marketing issues. Development costs are negotiated before a development agreement is executed. Onsite and Offsite infrastructure and development costs are expensed from Act 279, SLH 2021. House or unit financing are developer costs. Should a development budget cannot be agreed upon, DHHL has the right to terminate negotiations and commence negotiations with the next highest ranking respondent.

Qualifications shall be evaluated and ranked on the following:

<i>Criteria Description</i>	<i>Points</i>
<p><u>A. Experience</u></p> <p>The degree to which the submittal demonstrates the Respondent and the Respondent's team experience and professional qualifications relevant to the Project. Points will be awarded based on the following:</p> <ol style="list-style-type: none">1. The Respondent and the team's experience with developing projects of similar scope and size, with weight given to experience in directing a multidisciplinary team and facilitating a community involvement process.2. The Respondent and team's experience in efficiently planning, constructing, and managing of projects similar to that proposed in the RFQ and familiarity with Hawaii real estate development requirements and challenges.3. The Respondent and the team's experience working on State or County housing agency projects, and participation in low-income housing financing programs.	25

<p><u>B. Past Performance</u></p> <p>The degree to which the submittal demonstrates the Respondent and the Respondent's team's experience on projects of similar size and scope for public agencies and/or the private sector. Points will be awarded based on the following:</p> <ol style="list-style-type: none"> 1. The Respondent and team's ability to complete a project on schedule and within budget, obtain innovative financing, employ alternative construction techniques, and integrate community and supportive services into the overall development of projects similar to that proposed in the RFQ. 2. Respondent's demonstration that it is not in default and has not failed to perform under any contract, agreement, development design-build agreement, or lease with the State of Hawai'i, and does not have any outstanding judgments against it. 	25
<p><u>C. Capacity</u></p> <p>The degree to which the submittal demonstrates the Respondent and the Respondent's team's capacity to complete projects of similar size and scope for public agencies and/or the private sector. Points will be awarded based on the following:</p> <ol style="list-style-type: none"> 1. The Respondent and team's organization size, and number of employees; and description of the type, location, scheduled completion date, dollar value, and number of units of any concurrent projects that Respondent may be involved in. 2. The Respondent's financial capacity (as developer and provider of guarantees) as evidenced by financial statements, most recent audit and bank references, and statement of how Respondent intends to honor all guarantees should the need arise. 3. The extent of the respondent team's organization chart clearly demonstrates the team's capacity to meet the requirements of the RFQ. 	20
<p><u>D. Project Approach</u></p> <p>The degree to which the submittal addresses the DHHL's requirements and goals relevant to the project. Points will be awarded based on the following:</p> <ol style="list-style-type: none"> 1. Unique approaches or solutions the Respondent will undertake to assist DHHL in awarding homestead lots to native Hawaiians on DHHL's application waitlist. 2. Unique approaches or solutions the Respondent will undertake to leverage existing sources of funds to lower the cost of infrastructure to DHHL and/or the cost of housing units to beneficiaries. 3. Unique approaches or solutions the Respondent will undertake to provide a mixture of development models (e.g., turn-key, rent-with-option-to- 	20

purchase, owner-builder, etc.), addressing the economic diversity of Beneficiary families.	
4. Unique approaches or solutions the Respondent will undertake to incorporate green building practices into the development, including implementing DHHL's Ho'omalū Energy Policy.	
<u>E. Fees</u> The degree to which the proposed fees are reasonable as compared to projects of similar size and scope for public agencies and/or private industry.	10
Total Possible Points	100

Current RFQ Projects:

Ka'uluokaha'i Master-planned Community, East Kapolei, Oahu.

The project consists of an estimated 548 houses on approximately 115.5 acres. Specifically, for Increment II-C: completion of infrastructure construction, and design, construction, and marketing of houses; construction of backbone infrastructure; and for Increments II-D, II-E, II-F: designs and construction of infrastructure, and design, construction, financing and marketing of houses. The RFQ was issued on August 7, 2023 and responses were received before the September 8, 2023 deadline. An internal review committee is reviewing the submittals for recommendation to the Chair.

Hanapēpē Residential Lots, Phase 2, Hanapēpē, Kaua'i

The project consists of completion of infrastructure construction by Hawaiian Dredging, and design, construction, and marketing of houses on 82 residential lots; and extension of 47 existing lots. LDD proposes to start the RFQ procurement by October 2023, subject to staffing workload.

Villages of La'i 'Ōpua and North Kona Water Development, Kealahou, Hawaii.

The project consists of an estimated 525 residential lots on approximately 127 acres, plus development of potable water well(s) and transmission systems. Currently Village 4 Hema Subdivision, comprised of 124 lots is under site and infrastructure construction. Under proposed RFP, developer would design, construct, finance and market houses or units for Villages 1 and 2, totaling 400 lots. The proposed RFP may also include water development; the design and construction of exploratory potable well(s), production well(s), and water transmission and storage. LDD anticipates issuing RFP for the Villages of La'i 'Ōpua by November 2023.

Leiali'i 1B Subdivision, Lahaina, Maui.

The project consists of an estimated 181 single-family residential lots on approximately 51 acres, including onsite grading, construction of roadways, utilities, and drainage. Offsite improvements include development of an offsite potable water well in Honokōwai, and water infrastructure within the Wahikuli area, including storage, booster pump(s) and transmission systems.


DHHL is currently coordinating with County of Maui Department of Water Supply (DWS) to mitigate any damages sustained from the recent Lahaina Wildfire to the potable water system operated by DWS. Non-potable water supplied to the irrigation system in Leiali'i Parkway is currently inoperative due to lack of power and potential damage from Lahaina Wildfire. This non-potable water source is currently owned by HHFDC and will be source of water for maintaining drainage detention basins in Leiali'i 1B.

As a matter of information, while overhead utilities cost less for installation, electrical and communications utilities in the Villages of Leiali'i will be constructed underground.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023

To: Chairman and Members, Hawaiian Homes Commission

From: Stewart Matsunaga, Administrator
Land Development Division 

Subject: For Information Only
Implementation Progress Report for Act 279, Session Laws of Hawaii 2022, as of August 31, 2023

RECOMMENDED MOTION/ACTION

None, for information only.

BACKGROUND

Act 279 enacted in Regular Session of 2022 of the 31st Legislature appropriated \$600,000,000 in general funds to provide a multi-pronged approach to reducing the DHHL waitlist. The \$600,000,000 will address the needs of those on the waitlist and those beneficiaries still waiting. (Excerpt from “Strategic Plan to Implement Act 279 of 2022 dated November 2022)

On August 16, 2022, The Hawaiian Homes Commission (HHC) approved the Strategic Approach to Implement Act 279 - August 2022. Further, on November 22, 2022 the HHC approved the Strategic Plan to Implement Act 279 of 2022.

Pursuant to Section 4(c), Act 279, DHHL shall submit the strategic plan, including findings, recommendations, and any proposed legislation, to the Legislature, no later than December 10, 2022. On December 6, 2022 copies of the Strategic Plan to Implement Act 279, SLH 2022 was transmitted to the Senate President and members of the Senate and President of the House and members of the House of Representatives, pursuant to Section 4(c), Act 279.

DISCUSSION ON FY 2024 IMPLEMENTATION

Project highlights from August 15, 2023 to September 1, 2023:

Island	Subdivision/ Project	Lots	Phase	Pending Encumbrances	Status
Lanai	Lanai Residence Lots Offsite Infrastructure	75	Planning/Design	\$ 2,000,000	Contract executed Requesting release of Act 279 funds

Oahu	Kaupea, Phase 2	60	Dev Agree	\$ 11,900,000	Awarded to Mark Development Negotiating development agreement
Oahu	East Kapolei II Master Developer	421	Dev Agree	\$ 109,000,000	RFQ released 8/7/23 Submittals due 9/8/23 Submittals under review
<u>Land/Project Acquisition RFP 1</u>					
Oahu	Waialua (Mill Camp)	92	Dev Agree	\$ 19,365,760	Negotiating development agreement with Mark Development
Oahu	Ewa Villages	142	Dev Agree	\$ 27,486,000	Developer drafting purchase agreement
Statewide	RFP#2		Acquisition/Dev Agree		5 offers under consideration. Potential \$59 million acquisition
	TOTAL			\$ 169,751,760	Request for Release of funds total \$175,000,000 rounded (includes contingency)

Act 279 Implementation Status as of August 31, 2023 is attached as “Exhibit A”.

If all Strategic Plan 2022 projects are implemented and if five selected Land Acquisition and Development Projects are implemented from the second round RFP, then DHHL will have a shortfall of \$557,283,300 by Fiscal Year 2025.

RECOMMENDED MOTION/ACTION:

None—for information only.

DEPARTMENT OF HAWAIIAN HOME LANDS									
ACT 279 IMPLEMENTATION									
Project Status as of August 31, 2023									
				Act 279 Implementation Budget (Strategic Plan2022)		Encumbrance Status as of August 31, 2023			Status
Island	FY23 Subdivision/Project	Lots	Phase	FY 2023	FY 2024	Encumbered FY23	Projected Encumbrance FY24	Projected Encumbrance FY25	
Hawaii	Laiopua Villages 1 and 2, and N. Kona Water Development	400	Acq/ Dev Agrmt	\$ 4,000,000	\$ 63,000,000		\$ 67,000,000		Chair directs RFP/RFQ development agreement to include Villages 1 and 2, house construction in Village 4 Hema, and Village 5 vacant lots. Revisit Leg appropriation Act 88, SLH 2021; proviso for \$12.2M for water development and subdivision improvements "Encumbered" Well site appraisal in progress.
Hawaii	Honomu Subsistence Ag Lots, Phase 2	40	Design/ Construction		\$ 6,000,000			\$ 6,000,000	Designs in process; IFB scheduled for 4th Quarter 2024
Lanai	Lanai Residence Lots Offsite Infrastructure	75	Design	\$ 2,000,000			\$ 2,000,000		Contract with Bowers+Kubota executed, awaiting release of funds. Schedule meeting with B+K and Pulama Lanai.
Molokai	Hoolehua Scattered Lots	20	Construction		\$ 3,500,000		\$ 3,500,000		Draft EA in process.
Molokai	Naiwa Ag Subdivision	16	Construction		\$ 6,000,000		\$ 6,000,000		FONSI and Final EA October 2023. Designs in process; bid scheduled for 1st Quarter 2024.
Maui	Pu'unani Homestead Subdivision	161	Construction	\$ 17,500,000		\$ 17,171,944			Construction Contract Awarded to Maui Kupono Builders; \$17,171,944. Notice to proceed effective May 15, 2023. Groundbreaking May 24, 2023.
Maui	Pu'unani Homestead Subdivision (Offsite Water Tank)		Design/ Construction			\$ 5,509,000			Developer preparing plans and specifications for IFB in Fall 2023, subject to County DWS approval of construction plans and storage agreements.
Maui	Leialii 1B Offsite Water		Construction	\$ 15,000,000			\$ 15,000,000		LDD proposes to prepare RFQ to wrap around Leialii Offsite water, highway improvements and Leialii 1B subdivision. Offsite water tank, booster pump and transmission needed to provide potable water and fire protection to Leialii 1B Inc. 2; 95 single family lots. Cost is exclusive of \$9,000,000 CIP appropriation for highway improvements and HHFDC DURF funding \$10,000,000 for Honokowai Water Well development.
Maui	Leialii 1B - Subdivision	181	Dev Agrmt		\$ 68,000,000		\$ 68,000,000		181 single family lots in lieu of 86 single family and 167 multi-family units. LDD proposes to prepare RFQ to wrap around Leialii Offsite water, highway improvements and Leialii 1B subdivision. Initial focus on construction of 86 single family lots in Leialii 1B, Increment 1.
Maui	Honokowai Subsistence Ag Ph. 1	50	Design		\$ 5,000,000	\$ 1,470,000		\$ 3,530,000	Survey and design in process. Continuing design work on R-1 water easements and engineering. Amending scope of work to include access from Honoapiilani Highway, and establishment of sewer manholes at Honokowai makai boundary.
Oahu	Kaupea, Phase 2		Acq	\$ 8,250,000		\$ 8,250,000			Acquisition completed.
Oahu	Kaupea, Phase 2	60	Dev Agrmt		\$ 14,750,000		\$ 11,900,000		Development Agreement awarded to Mark Development. Negotiations in progress.
Oahu	East Kapolei II Master-planned Community	421	Design	\$ 24,000,000	\$ 88,000,000	\$ 33,080	\$ 109,000,000		RFQ issued 8/7/23 incorporating backbone infrastructure, East Kapolei II-C, II-D, II-E, and II-F. Responses due 9/8/23. Responses received; undergoing internal review for recommendation to Chair.
Oahu	East Kapolei IIA	300	Dev Agrmt	\$ 14,000,000					Deleted from Act 279 project list: multi-family rentals.
Oahu	Maili Development	280	Dev Agrmt		\$ 60,000,000			\$ 60,000,000	FONSI and Final EA October 2023. Designs in process; bid scheduled for 1st Quarter 2024.
Oahu	Ewa Beach (former NOAA site)	600	Dev Agrmt		\$ 48,000,000			\$ 48,000,000	RFQ. Access, sewer, drainage and traffic issues.
Kauai	Hanapepe Residence Lots, Phase 2	82	Construction	\$ 23,000,000		\$ 17,800,126			Bids open on 12/21/22. Contract awarded to Hawaiian Dredging on on 12/29/22. Groundbreaking August 23. Supply chain issues; start in 1st Quarter 2024. Issue RFP for design, construction, financing and marketing of 82 houses.
Kauai	Anahola Kuleana Phase 1 Pastoral	115	Construction		\$ 5,000,000			\$ 5,000,000	Designs in process.
Statewide	Land/Project Acquisition		Professional Services			\$ 1,500,000			Project management contract with Bowers+Kubota; researching Villages of Leialii acquisition.
Statewide	Land/Project Acquisition		Acq/ Dev Agrmt	\$ 35,000,000					RFP let in November 2022. Eight offers received. Details of five accepted offers below.

DEPARTMENT OF HAWAIIAN HOME LANDS									
ACT 279 IMPLEMENTATION									
Project Status as of August 31, 2023									
				Act 279 Implementation Budget (Strategic Plan2022)		Encumbrance Status as of August 31, 2023			Status
Island	FY23 Subdivision/Project	Lots	Phase	FY 2023	FY 2024	Encumbered FY23	Projected Encumbrance FY24	Projected Encumbrance FY25	
Oahu	Ewa Villages (Haseko)	142	Acq/ Dev Agrmt				\$ 26,600,000		Acquistion: \$17,646,772 Source: NAHASDA Development: \$20,239,443 Source: Act 279 Acquisition and development agreement negotiations in progress.
Maui	Wailuku (DDC2 LLC)	207	Acq/ Dev Agrmt			\$ 45,038,800			Acquistion: \$5,200,000 Source: Act 279 Development: \$39,838,800 Source: Act 279 Development Agreement executed, funds encumbered.
Hawaii	Kaumana (Avalon Development)	168	Acq			\$ 2,000,000			Proposal acceptable for acquisition only. Sale closed 3/31/23; transaction completed.
Maui	Waiehu (DDC3 LLC)	366	Acq/ Dev Agrmt			\$ 93,868,417			Acquistion: \$12,240,000 Source: Act 279 Development: \$81,628,417 Source: Act 279 Development Agreement executed, funds encumbered.
Oahu	Waialua (Mill Camp Development Group, LLC)	92	Acq/ Dev Agrmt				\$ 14,358,633		Acquistion: \$1,990,000 Source: Act 279 Development: \$12,368,633 Source: Act 279 Negotiating Development Agreement.
Statewide	Land/Project Acquisition		Acq/ Dev Agrmt						RFP let in May 2023. Eighteen offers received. Details of six potentially acceptable offers below.
Hawaii	Project A-1	323	Acquisition				\$ 9,690,000	\$ 63,824,800	Chair is proposing to submit the combined Project A-1 and A-2 project for acquisition subject to negotiation and finalization of water credits. Estimated development costs = \$63,824,800
Hawaii	Project A-2								
Maui	Project B	169	Acquisition				\$ 5,915,000	\$ 35,123,500	Chair is proposing to submit Project B for acquisition subject to additional due diligence on water credits or well construction. Estimated development costs = \$35,123,500
Maui	Project C	500	Acquisition				\$ 25,000,000	\$ 88,500,000	Chair is proposing to submit Project C for acquisition subject to negotiation with two developers. This may be a joint venture with OHA or County of Maui. Estimated development costs = \$88,500,000
Maui	Project D	500	Acquisition				\$ 11,000,000	\$ 90,000,000	Chair is proposing to submit Project D for acquisition subject to negotiation with land owner and completing discovery on drainage and fill issues. Estimated development costs = \$90,000,000
Kauai	Project E	100	Acquistion				\$ 7,000,000	\$ 17,700,000	Chair is proposing to submit Project E for acquisition subject to negotiation with developer. Estimated development costs = \$17,700,000
Statewide	Project Financing/Partnerships			\$ 30,000,000			\$ 100,000,000		Interim house construction financing in order to reduce house pricing.
Statewide	Individual Assistance						\$ 60,000,000		Individual down payment or other assistance/subsidy
Statewide	Project Management Staffing						\$ 5,000,000		Staffing to implement Act 279 projects.
	Total	5,368		\$ 172,750,000	\$ 367,250,000	\$ 192,641,367	\$ 546,963,633	\$ 417,678,300	11/17/22 \$172.75M Allotment released by Governor. 6/27/23 \$21.0M Allotment released by Governor. Total released to date: \$193.75M Preparing request to release \$175 million (Total released will be \$368,750,000)
Total Estimated Encumbrances							\$ 739,605,000	\$ 1,157,283,300	\$557,283,300

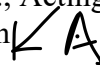
**HAWAIIAN HOMES COMMISSION
SEPTEMBER 18 & 19, 2023**

**F – ITEMS
LAND MANAGEMENT DIVISION**

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023

To: Chairman and Members, Hawaiian Homes Commission

From: Peter “Kahana” Albinio, Jr., Acting Administrator
Land Management Division 

Subject: Approval to Annual Renewal of Right of Entry Permits, East, Central and South Hawaii Island

RECOMMENDED MOTION/ACTION: That the Hawaiian Homes Commission (HHC) approves the following actions while developing a process to making short-term agricultural and pastoral land dispositions available to beneficiaries:

- A) Renew all East, Central and South Hawaii Island Right of Entry Permits as listed on Exhibit “A” and identified by approximate location on the Hawaii Island Map Exhibit “A-1” that are in compliance and issued temporary approvals, as of November 1, 2023.
- B) The annual renewal period, shall be on a month-to-month basis, for up to twelve (12) months, but no longer than October 31, 2024 or at the next scheduled HHC meeting on East Hawaii island whichever occurs sooner.
- C) Authorize the Chairman to negotiate and set forth other terms and conditions that may be deemed to be appropriate and necessary.

DISCUSSION

This submittal represents annual renewals for all East, Central and South Hawaii Island ROE permit(s) only, which shall effectively expire on October 31, 2023. As a means of maintaining a process by which PERMITEE’S can be assured that their permits have been renewed, notification letters will be transmitted accordingly.

For information purposes Exhibit “A” references all Right of Entry Permits in East, Central and South Hawaii Island by order of commencement date, land use, then by acreage. While Right of Entry Permits generate additional revenue to the Trust, its primary purpose provides DHHL the ability to efficiently manage its lands through the issuance of these short-term dispositions which are typically not needed for longer-term dispositions (such as homesteading or general leases) over a 20-year time period or as dictated by DHHL’s respective island plan. DHHL’s total Hawaii Island land inventory covers approximately 127,000 acres¹ or 63% of DHHL’s statewide inventory. The short-term disposition(s) within the Eastern, Central, and Southern portions cover approximately 8,670.0 acres or approximately 7.0% of its inventory.

¹ DHHL Hawaii Island Plan – Final Report, PBR Hawaii, May 2002

Right of Entry Permits help in having presence on DHHL lands thereby reducing costs for land management activity functions (i.e. signage, landscaping, fencing, removing trash and derelict vehicles, and prevents trespassing on unencumbered lands) that DHHL would bear if the lands were to sit vacant. Permittee's are required to assume responsibility for the land, post insurance, indemnify the department, and manage and maintain the land.

Until improvements to the Revocable Permit Program can be implemented, this process will be used for Annual Renewals of these month-to-month ROE Permit dispositions. The table below reflects the revenue generated from ROE permits on Hawaii Island, which is almost 2.0% (\$48,920) of the ROE total revenues (\$2,719,010) that DHHL received statewide. The Eastern, Central, and Southern portions of Hawaii Island holds 10 of the 145 ROE permits Statewide. These permittees fall under a variety of land use purposes with the most being pastoral.

FY 2023		Total	FY 2024		Total
Agriculture	\$264	1	Agriculture	\$264	1
Caretaker/Landscape	\$1,508	2	Caretaker/Landscape	\$1,508	2
Commercial	\$30,240	1	Commercial	\$30,240	1
Community	\$240	1	Community	\$240	1
Industrial	\$0	-	Industrial	\$0	-
Office	\$0	-	Office	\$0	-
Pastoral	\$17,610	5	Pastoral	\$17,610	5
Preservation	\$0	-	Preservation	\$0	-
Recreation	\$0	-	Recreation	\$0	-
Research	\$0	-	Research	\$0	-
Stabling	\$0	-	Stabling	\$0	-
	\$49,920	10		\$48,920	10

According to research done by Colliers International, (See Exhibit "B") some of the Key Takeaways reflect • Positive 2022 job gains boost counts above pre-pandemic levels; • Tourism expenditures and hotel average daily room rates hit record highs; • Industrial demand surpasses available inventory; • Despite absence megadeals, investment sales counts hit record high; and • Recessionary concerns weigh heavily on 2023 market forecast. Considering this research, LMD respectfully recommends maintaining its current rental rates without any increase.

For FY 2024, renewals for the 9 Right of Entry Permits located in East, Central, and South Hawaii Island will total an annual rent revenue of \$48,920 as referenced in the table above. Rental fees for agricultural and pastoral use permits vary and are typically established at less than fair market rates (discounted) but not less than \$240/annum due to various site issues such as, insufficient/no infrastructure, no legal access, substandard lot size or irregular shape, etc.

AUTHORITY / LEGAL REFERENCE:

§171-55, Hawaii Revised Statutes, as amended, a "permit on a month-to-month basis may continue for a period not to exceed one year from the date of issuance; provided that the

September 2023

commission may allow the permit to continue on a month-to-month basis for additional one-year periods.”

RECOMMENDATION:

Land Management Division respectfully requests approval of the motion as stated.

RIGHT OF ENTRY PERMITS - EAST, CENTRAL, & SOUTH HAWAII ISLAND, as of September 2023						Denotes Beneficiary		Denotes Delinquent	
NO.	ACRE	USE	PERMITTEE	LOCATION	TMK	Date Started	Current Annual Rent	Proposed Annual Rent	Comments: rent amount and reasons (site issues - insufficient/no infrastructure, no legal access, substandard lot size or irregular shape, etc.)why no long-term disposition
465	280.00	Pastoral	Gilbert Medeiros, Jr.	Kamaoa-Puueo	(3) 9-3-001:002(P)	2/9/1998	\$504	-	Rent is current; portion of a larger parcel that is designated for General Ag use. Insufficient infrastructure, irregular shape.
473	2250.00	Pastoral	Dean Kaniho	Kamaoa-Puueo	(3) 9-3-001:002(P)	7/15/2004	\$3,156	-	Rent is current; portion of a larger parcel that is designated for General Ag use. Insufficient infrastructure, irregular shape.
477	2.00	Agricultural	Guy Kaniho	Humu'ula	(3) 3-8-001:007(P)	2/26/2007	\$264	-	Rent is current; portion of a larger parcel that is designated for General Ag use.
478	300.00	Pastoral	April Awana-Mattos	Honomu	(3) 2-8-011:011 (p)	2/1/2010	\$5,220	-	Rent is current; portion of a larger parcel that is designated for General Ag use.
481	2.21	Landscape	Ginger Patch Center	Waiakea	(3) 2-2-060:001	8/2/2010	\$1,508	-	Rent is current; portion of a larger parcel that is designated for Industrial use. Insufficient infrastructure, irregular shape.
482	1.00	Community	Keaukaha Panaewa Farmers Association	Panaewa	(3) 2-1-025:091 (p)	2/1/2011	\$240	-	Rent is current; portion of a larger parcel that is designated for Commercial use. Insufficient infrastructure, irregular shape.
610	5000.00	Pastoral	Native Hawaiian General Services	Kamaoa-Puueo	(3) 9-3-001:002(P)	6/1/2004	\$6,300	-	Rent is current; portion of a larger parcel that is designated for General Ag use. Insufficient infrastructure, irregular shape.
467	326.76	Pastoral	Parnel Hanoa	Waiohinu	(3) 9-5-019:016 & 9-5-005:002	1/26/2000	\$1,488	-	Rent is current; parcel designated for General Ag Use. Insufficient infrastructure, irregular shape
692	0.620	Commercial	Connect Point Church	Waiakea	(3) 2-2-060:049	11/18/2019	\$30,240	-	Rent is current; parcel designated for Industrial Use. Offering for industrial use forthcoming.
716	300.00	Caretaker	Malama Ka'Aina Hana Ka'Aina, Inc.	Keaukaha	(3) 2-1-013:001 (p)	10/1/2022	\$0	-	Rent is gratis; parcel designated for Agricultural Use. Due diligence studies ongoing to offer as subsistence ag.

* Deneotes Beneficiary

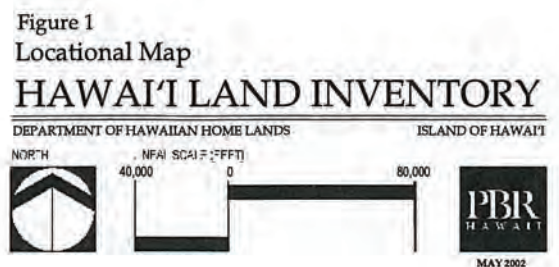
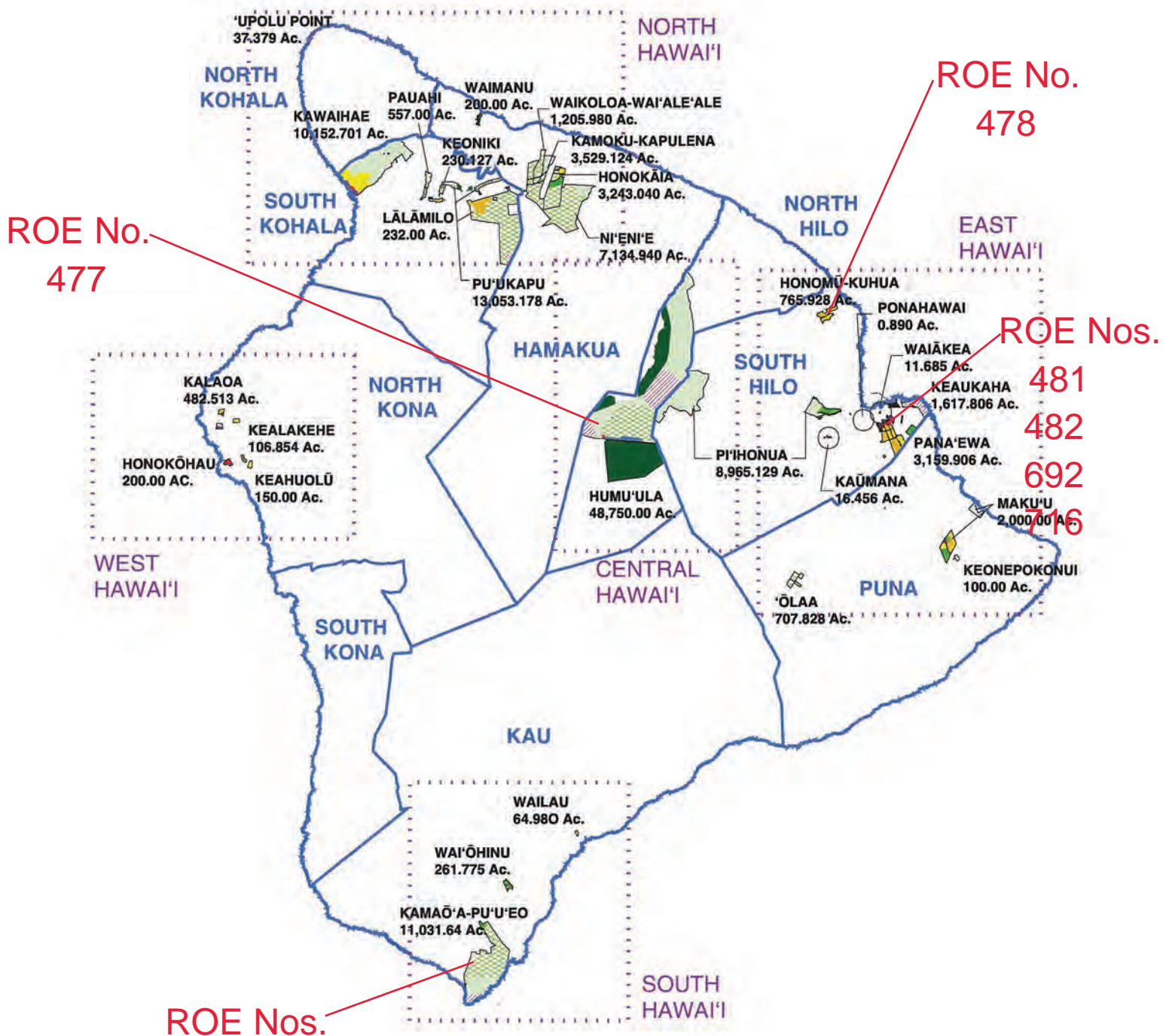


Exhibit "A-1"
Item No. F-1



Hawaii | Big Island

Research Report

22YE

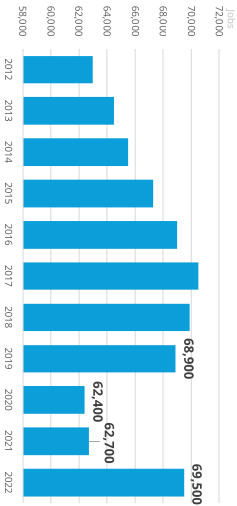
Key Takeaways

- Positive 2022 job gains boost counts above pre-pandemic levels
- Tourism expenditures and hotel average daily room rates hit record highs
- Industrial demand surpasses available inventory
- Despite absence of megadeals, investment sales counts hit record high
- Recessionary concerns weigh heavily on 2023 market forecast

Hawaii Island Commercial Real Estate Shows Positive Signs of Recovery

The year 2022 will be remembered for its multitude of challenges, including COVID-19 and its variants to supply chain disruptions, the rise in inflation, and interest rate hikes culminating in increased anxiety brought on by economic uncertainty. Yet, despite the many hurdles faced, Hawaii Islands economy proved resilient and demonstrated that it is on the path to recovery.

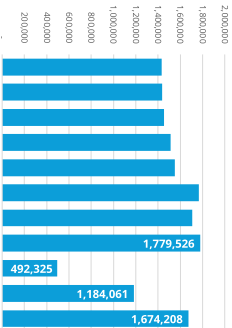
Non Ag Wage and Salary Jobs (December)



Source: Dept of Business Economic Development and Tourism

After an initial loss of nearly 13,000 jobs and a record high unemployment rate of 23.3% due to the government-mandated economic shutdown at the start of the pandemic, the Islands economy steadily recovered, with unemployment declining to 3.8% by December 2022. Additionally, the number of non-agriculture wage and salary jobs for December 2022 surpassed pre-pandemic 2019 job counts, indicating that Hawaii Islands' employment market has fully recovered.

Along with the rebound in job counts, the tourism sector posted solid gains for the past year. At year-end 2022, roughly 1.67 million visitors came to Hawaii Island, a 41.4% improvement from year-end 2021. The Islands' hotels benefited from a healthy 74.9% hotel occupancy rate, resulting in average daily room rates hitting a record high of \$400.28 and surpassing pre-pandemic 2019 levels by a whopping 50.68%. Year-end 2022 tourism expenditures also surged to a record high of \$2.68 billion, exceeding 2019 levels by a robust 15.0%.



Source: Dept of Business Economic Development and Tourism

Research Report

Hawaii | Big Island

22YE

Hawaii | Big Island | Office | Market Statistics

Property Type	Total Inventory (SF)	Available Space (SF)	Vacancy Rate (%)	Net Absorption (SF)	Avg. Low Asking Rent (PSF/Mo)	Avg. High Asking Rent (PSF/Mo)	Avg. Op. Exp. (PSF/Mo)
East Hawaii	616,550	60,873	9.87%	(18,884)	\$1.64	\$1.73	\$0.94
West Hawaii	476,722	56,428	12.26%	17,153	\$1.72	\$1.99	\$0.98
Hawaii Island	1,093,272	119,301	10.91%	(1,731)	\$1.68	\$1.88	\$0.96

Hawaii | Big Island | Retail | Market Statistics

Property Type	Total Inventory (SF)	Available Space (SF)	Vacancy Rate (%)	Net Absorption (SF)	Avg. Low Asking Rent (PSF/Mo)	Avg. High Asking Rent (PSF/Mo)	Avg. Op. Exp. (PSF/Mo)
East Hawaii	1,330,278	115,189	8.66%	13,998	\$2.30	\$2.92	\$0.91
West Hawaii	2,065,889	486,123	23.53%	106,713	\$2.92	\$3.93	\$1.49
Hawaii Island	3,396,167	601,312	17.71%	120,711	\$2.71	\$3.55	\$1.29

Hawaii | Big Island | Industrial | Market Statistics

Industrial Parks	Total Inventory (SF)	Available Space (SF)	Vacancy Rate (%)	Net Absorption (SF)	Direct Wtd. Avg. Asking Rent (PSF/Mo)	Avg. Op. Exp. (PSF/Mo)
Hilo Industrial	2,899,557	3,000	0.10%	6,610	\$0.65	\$0.60
Shipman Industrial	978,290	7,500	0.77%	8,640	\$1.30	N/A
East Hawaii Industrial	3,877,847	10,560	0.27%	15,250	\$1.30	N/A
Kona Industrial	921,144	30,907	3.36%	2,083	\$1.55	\$0.65
Kailoko	1,575,516	10,570	0.67%	280	\$1.82	\$0.41
Kohalaiki	461,713	0	0.00%	0	\$1.23	\$0.37
Honokohau*	166,403	0	0.00%	0	\$1.40	\$0.32
West Hawaii Industrial	3,124,776	41,477	1.33%	2,363	\$1.59	\$0.54
Hawaii Island Industrial	7,002,623	51,977	0.74%	17,613	\$1.23	\$0.48
Totals						

Hawaii | Big Island | Investment | Market Statistics

Property Type	Sales Volume	Sales Counts	Local	U.S. Domestic	International	Local	U.S. Domestic	International
Hotel/Resort	\$33,650,000	4	\$10,900,000	\$22,750,000	\$0	2	2	0
Industrial	\$33,999,999	13	\$21,674,999	\$12,325,000	\$0	9	4	0
Land	\$54,669,210	11	\$21,184,810	\$9,975,000	\$0	6	5	0
Multifamily	\$0	0	\$0	\$0	\$0	0	0	0
Office	\$14,641,125	6	\$12,641,125	\$2,000,000	\$0	5	1	0
Retail	\$48,981,125	8	\$5,626,125	\$43,355,000	\$0	4	4	0
Totals	\$185,941,459	42	\$72,027,059	\$90,405,000	\$0	26	16	0

Colliers | Hawaii | Big Island | 22YE | Research Report

Exhibit "B"
Item No. F-1

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023 Item F-2

To: Chairman and Members, Hawaiian Homes Commission

From: Joseph "Kualii" Camara, Property Development Assistant
Land Management Division *JC*

Through: Peter "Kahana" Albinio, Jr., Acting Administrator
Land Management Division *KA*

Subject: Authorization to enter into Memorandum of Agreement with U.S. Department of Defense (DOD) to receive Federal grant funding. 2,500 acres of TMK (3) 3-8-001:002,:007 for Aina Mauna Legacy Program implementation, native mamane reforestation, Humuula, Hawaii

FUNDING AGENCY:

DOD, Readiness and Environmental Protection Implementation (REPI) Program

RECOMMENDED MOTION/ACTION:

That the Hawaiian Homes Commission (HHC) authorize establishment of a Memorandum of Agreement (MOA), or equivalent agreement between DHHL and the DOD defining terms and conditions for DHHL to receive Federal grant funding under the REPI Program for the implementation of the Aina Mauna Legacy Program (AML), native mamane reforestation (Project). Drafted MOA will be subject to review and final approval by Administrators of both DHHL and DOD and their respective legal counsels.

Established MOA is anticipated to contain the following conditions:

1. Terms and condition for the receipt of up to \$1,000,000 in Federal funds for Project implementation over five (5) years:
 - A. Scope of Work, including ungulate fencing and sheep and cattle exclusion, and creating and maintaining and enhancing the conditions for mamane forest restoration.
 - B. Federal standards for procurement of contracted services and any payment dispersal of Federal funds.
 - C. Federal standards for reporting of Project deliverables and expenditures
 - D. Cost Share or Matching contributions from DHHL, anticipated to be up to \$200,000, or 20% of award amount and may include State funds and or in kind services that implement the Project.
 - E. Such other terms and conditions as pertinent to Federal funding for Project implementation on DHHL Lands.
2. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR this Project will probably have

minimal or no significant effect on the environment. Actions equivalent to the Project proposed were considered and addressed in the 2012 Environmental Assessment for the Aina Mauna Legacy Program which was approved by the Hawaiian Homestead Commission and accepted by the Office of Environmental Quality Control with a finding of no significant impact. Project will be subject to environmental compliance as an activity that uses Federal and State funding.

LOCATION:

Access to Hawaiian Home Lands situated in Humuula, Island of Hawaii, identified as 2,500 acres along mauka boundary of Tax Map Keys: (3)3-8-001:007; :002; (See map below). Note this MOA is for implementation of Project for Aina Mauna Legacy Program objectives only, under terms and conditions of MOA and does not convey lease or property rights for this parcel or any portion thereof.

DISCUSSION:

DHHL Staff in coordination with Natural Resource staff from Pohakuloa Training Area (PTA) applied for REPI Federal grant funding for the restoration of native mamane forests on DHHL lands in Humuula. DHHL is a large landowner adjacent to PTA. DHHL Aina Mauna Lands contain roughly 6,550 acres of Federally listed Palila Critical Habitat, of which 2,325 acres remains currently unfenced and protected from grazing cattle and sheep. The Planned land use for the Project area is native mamane forest restoration due to its unique and sensitive resources, conservation zoning and designation as Palila Critical Habitat which restricts development and other intensive land uses. The Project is in alignment with and implements planned land use under the AMLP.

The REPI Program funding would provide resources to implement the AMLP land use for the Project area. Protecting and separating the sensitive mamane resources from the gorse containment area below will limit the spread of gorse into the Project area by ungulates. Restoration of the mamane forest will improve and enhance the Wailuku watershed through mist capture and reduced erosion and provide critically needed habitat for native plant and animal species. Project protects the Wao Kuahiwi of Mauna Kea between Puu Kole and Puu Kahinahina in perpetuity for future generations to experience and enjoy.

Benefits to Hawaiian Homes Land Trust

Federal funding for the implementation of the Project will:

- Implement AMLP objective in are identified as M-1, native mamane forest restoration.
- Leverage limited DHHL funds for improvement of DHHL lands and resources.
- Provide a protected site for Iliahi or Sandalwood forestry which is compatible with and dependent on the mamane reforestation.
- Provide critical habitat for endangered plant and animal species.
- Increase and enhance watershed function in the Wailuku Watershed.
- Protect the Wao Kuahiwi and Lei Mamane from Puu Kole to Puu Kahinahina for future generations.
- Stop the spread of gorse into the Project area by ungulates.
- Allow for alternative ungulate management in less sensitive areas of the Aina Mauna. Currently the AMLP calls for the removal of all sheep from the entire Aina Mauna Lands, protecting and

September 2023

mitigating damage to the most sensitive areas through fencing creates opportunities for review of the AMLP in regard to ungulates if they can be managed responsibly in less sensitive areas.

- Participating in the DOD REPI program allows DHHL a Project to navigate the process this type of Federal funding and creates a path and relationship for future funding opportunities.

PLANNING AREA:

Humuula, Aina Mauna Lands

LAND USE DESIGNATION:

Portions of DHHL TMKs (3)3-8-001:007, :002 within the Project area are zoned conservation and federally designated as Palila Critical Habitat, approximately 2,500 acres.

Under the Aina Mauna Legacy Program the Project area is contained within area M-1(see map below), whose planned land use is “Native Forest – Mamane.”

CURRENT STATUS:

DHHL, former pasture lease TMKs (3)3-8-001:002,:007. Remnants of cattle fence exists along Project alignment and will be improved and replaced with 6 foot woven wire ungulate fencing.

CHARACTER OF USE:

Former cattle lease. Planned future use under the Aina Mauna Legacy Program is native mamane forest. restoration.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

Triggers:

Use of State Lands

Use of State Funds

2012 Aina Mauna Legacy Plan Environmental Assessment:

On January 23, 2012, the Final Environmental Assessment for the Aina Mauna Legacy Program was unanimously approved by the Hawaiian Homestead Commission and filed on February 8, 2012, with the State of Hawaii Office of Environmental Quality Control with a Finding of no Significant Impact. Actions equivalent to the proposed action and their impacts have been considered in the EA on pages 49 - 50.

“Use and Maintenance of Existing Facilities and Fences

For all alternatives, efforts will be made to use existing infrastructure wherever and whenever possible (fencing, ranch roads, stock ponds, etc.) Periodic maintenance and upgrading of buildings, fences and facilities will be necessary regardless of the alternative selected for safety and accessibility and to support management and visitor needs. Periodic maintenance and upgrading of fences are necessary to manage

and/or exclude ungulates from management units. The use of a helicopter may be required in remote areas to deliver fencing and other materials.”

The direct, cumulative, and potential impacts of the action described have been considered pursuant to Chapter 343, Hawaii Revised Statutes and Chapter 11-200, Hawaii Administrative Rules. The action as proposed has been determined to have minimal or no significant impact on the environment. The Planning Office has reviewed the proposed action and determines it is in accordance with the 2012 Aina Mauna Legacy Program Final Environmental Assessment.

Project will be subject to further environmental review and compliance due to the use of Federal funds. Federal compliance will be navigated as part of Project.

CONSISTENCY WITH DHHL PLANS, POLICIES AND PROGRAMS

Aina Mauna Legacy Program (2009)

The recommended disposition is consistent with the following Aina Mauna Legacy Plan Goals and Initial Immediate Actions:

Land and Resource Management

Goals:

- Restoration and enhancement of DHHL trust resources
 - Project will allow for the restoration of the once vast Lei Mamane of Mauna Kea through
 - Ungulate fencing
 - Sheep and Cattle exclusion
 - Mamane and sandalwood reforestation
- Address reforestation and restoration of the ecosystem
 - Secure funding of fence infrastructure to protect native forest cover and native species habitat.
 - Provide a protected area to for native forest restoration.
- Conserve natural and cultural resources and endangered species
 - Prevent movement of feral ungulates into sensitive native ecosystems including Palila Critical Habitat and summit areas where Mauna Kea silver swords once grew.
- Identify and secure partners to sustain activities.
 - This is the first Project between DHHL and the DOD REPI Program and takes advantage of and navigates this Federal funding source and builds a relationship for future funding opportunities.
 - Leverage limited DHHL funds for AMLP objectives.

Initial Immediate Actions:

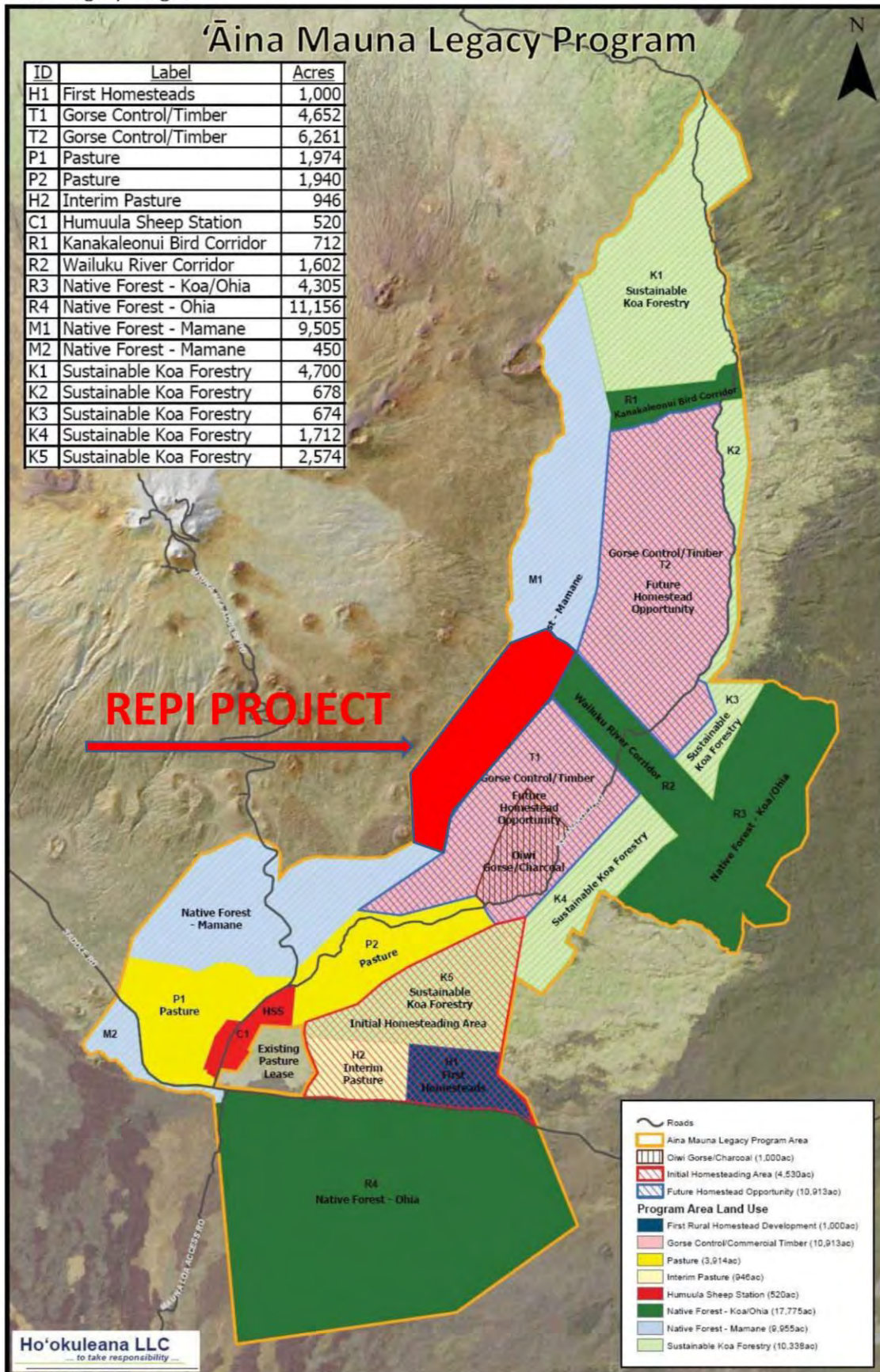
- Initiate un-managed ungulate control over entire property.
 - Ungulate fencing is a valuable tool in managing and controlling feral ungulate movement, excluding them from sensitive areas.
 - Managing ungulates through fencing, creates opportunities for managed populations of ungulates in less sensitive areas.

September 2023

- Initiate a set aside for portions of the property for restoration and enhancement purposes.
 - Native mamane forest restoration in the Project area is in full alignment with the vision and plan for the Aina Mauna Legacy Program.
- Initiate Gorse Eradication
 - Excluding ungulate from the Project area will also greatly reduce the spread of gorse, as sheep wool is a vector for gorse spread. Project area is adjacent to gorse containment area and is currently under constant threat of gorse spread into upper elevations of the Aina Mauna.
- Initiate State, Federal and Private Grant Applications to Support Resource Restoration
 - This Project is the product of DHHL staff working with State and Federal agencies to identify available funding sources and an appropriate, competitive project and apply for grant opportunities.
- Initiate a Safe Harbor Agreement for Threatened/Endangered Species Over Entire Site
 - Voluntary actions like this Project that improve habitat for endangered species are taken into consideration and gives DHHL leverage when negotiating Safe Harbor or other agreements to mitigate impacts to endangered species across the Aina Mauna Lands.

RECOMMENDATION:

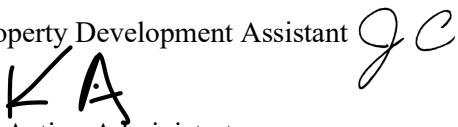
Land Management Division respectfully requests approval of the motion as stated.



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023 Item F-3

To: Chairman and Members, Hawaiian Homes Commission

From: Joseph "Kualii" Camara, Property Development Assistant
Land Management Division 

Through: Peter "Kahana" Albinio, Jr., Acting Administrator
Land Management Division

Subject: Authorization to enter into Memorandum of Agreement with U.S. Department of Agriculture (USDA) to receive Federal grant funding. 500 acres of TMK (3) 3-8-001:009 for Aina Mauna Legacy Program Implementation, Sustainable Koa Forestry, Humuula, Hawaii

FUNDING AGENCY:

USDA, Partnerships for Climate Smart Commodities (CSC) Program

RECOMMENDED MOTION/ACTION:

That the Hawaiian Homes Commission (HHC) authorize establishment of a Memorandum of Agreement (MOA), or equivalent agreement between DHHL and the USDA defining terms and conditions for DHHL to receive Federal grant funding under the CSC Program for the implementation of the Aina Mauna Legacy Program (AML), sustainable koa forestry (Project). Drafted MOA will be subject to review and final approval by Administrators of both DHHL and USDA and their respective legal counsels.

Established MOA is anticipated to contain the following conditions:

1. Terms and condition for the receipt of up to \$1,250,000 in Federal funds for Project implementation for up to five (5) years:
 - A. Scope of Work, including ungulate fencing and sheep and cattle exclusion, and creating and maintaining and enhancing the conditions for mamane forest restoration.
 - B. Federal standards for procurement of contracted services and any payment dispersal of Federal funds.
 - C. Federal standards for reporting of Project deliverables and expenditures
 - D. Cost Share or Matching contributions from DHHL, anticipated to be up to \$250,000, or 20% of award amount and may include State funds and or in kind services. Existing harvestable koa within Project area may be considered for matching contributions.
 - E. Such other terms and conditions as pertinent to Federal funding for Project implementation on DHHL Lands.

2. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR this Project will probably have minimal or no significant effect on the environment. Actions equivalent to the Project proposed were considered and addressed in the 2012 Environmental Assessment for the Aina Mauna Legacy Program which was approved by the Hawaiian Homestead Commission and accepted by the Office of Environmental Quality Control with a finding of no significant impact. Project will be subject to environmental compliance as an activity that uses Federal and State funding.

LOCATION:

Access to Hawaiian Home Lands situated in Humuula, Island of Hawaii, identified as 500 acres along boundaries of Waipunalei and Laupahoehoe section of Hilo Forest Reserve, Tax Map Key: (3)3-8-001:009 (See map below). Note this MOA is for implementation of Project for Aina Mauna Legacy Program objectives only, under terms and conditions of MOA and does not convey lease or property rights for this parcel or any portion thereof.

DISCUSSION:

DHHL Staff in coordination with grant partners Linker Corporation and Forest Solutions, Inc. applied for USDA CSC Federal grant funding for the implementation of sustainable koa forestry on DHHL Aina Mauna lands in Humuula. Sustainable koa forestry is a keystone project and economic driver of the Aina Mauna Legacy Program. DHHL Aina Mauna Lands contain 10,338 acres that are planned for sustainable koa forestry, of which only 190 are currently fenced and ungulate free. Feral cattle and sheep exclusion is necessary for a successful koa forestry plantation. The planned land use for the Project area is sustainable koa forestry and it is free of gorse, at lower elevation than most of the Aina Mauna which is better for koa, and is zoned Agricultural, making koa forestry feasible. The Project is in alignment with and implements planned land use under the AMLP.

The USDA CSC Program funding would provide resources to implement the AMLP land use for the Project area. Protecting the Project area from grazing ungulate by fencing ensures that resources spent establishing koa plantation are not squandered. Establishing a koa forestry plantation according to the most current best management practices is a valuable investment in the DHHL trust for future use. Project reestablishes the Wao Akua of Humuula while simultaneously producing an extremely valuable Climate Smart Commodity that will continue to accrue value over the next 50 -100 years and beyond.

Benefits to Hawaiian Homes Land Trust

Federal funding for the implementation of the Project will:

- Implement AMLP objective in are identified as K1, Sustainable Koa Forestry.
- Leverage limited DHHL funds for improvement of and investment in DHHL lands and resources.
- Serve as a major investment in koa forestry that will provide the DHHL trust with a valuable income source that will continue to accrue value over time.
- Provide a protected site for reforestation of koa, which is the keystone species of the Wao Akua (cloud forest) of Mauna Kea.
- Provide critical habitat for endangered plant and animal species.

- Increase and enhance watershed function in the Watersheds of Hilo Paliku.
- Protect the Wao Akua for future generations.
- Sequester large amount of carbon. DHHL is able to sell carbon credits created by this Project, independent of its agreement with USDA.
- Participating in the USDA CSC program allows DHHL a Project to navigate the process this type of Federal funding and creates a path and relationship for future funding opportunities. USDA is projected to make large sums of money available for fire prevention, forestry, carbon sequestration and other natural resource management objectives.

PLANNING AREA:

Humuula, Aina Mauna Lands

LAND USE DESIGNATION:

Portions of DHHL TMK (3)3-8-001:009 within the Project area are zoned agriculture and are currently under review for inclusion in Iiwi Critical Habitat. DHHL has petitioned for exclusion of this parcel from Iiwi Critical Habitat Designation in consideration of the numerous voluntary actions it has taken across the Aina Mauna to improve endangered species habitat.

Under the Aina Mauna Legacy Program the Project area is contained within area K-1 (see map below), whose planned land use is “Sustainable Koa Forestry .”

CURRENT STATUS:

DHHL, former pasture lease TMKs (3)3-8-001:009. Remnants of cattle fence exists along portion of Project alignment. 4 foot woven wire fence will replace existing fences and be constructed where fences do not currently exist.

CHARACTER OF USE:

Former cattle lease. Planned future use under the Aina Mauna Legacy Program is sustainable koa forestry.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

Triggers:

Use of State Lands

Use of State Funds

2012 Aina Mauna Legacy Plan Environmental Assessment:

On January 23, 2012, the Final Environmental Assessment for the Aina Mauna Legacy Program was unanimously approved by the Hawaiian Homestead Commission and filed on February 8, 2012, with the State of Hawaii Office of Environmental Quality Control with a Finding of no Significant Impact.

Actions equivalent to the proposed action and their impacts have been considered in the EA on pages 49 - 50 and 54-55.

“Use and Maintenance of Existing Facilities and Fences

For all alternatives, efforts will be made to use existing infrastructure wherever and whenever possible (fencing, ranch roads, stock ponds, etc.) Periodic maintenance and upgrading of buildings, fences and facilities will be necessary regardless of the alternative selected for safety and accessibility and to support management and visitor needs. Periodic maintenance and upgrading of fences are necessary to manage and/or exclude ungulates from management units. The use of a helicopter may be required in remote areas to deliver fencing and other materials.”

The direct, cumulative, and potential impacts of the action described have been considered pursuant to Chapter 343, Hawaii Revised Statutes and Chapter 11-200, Hawaii Administrative Rules. The action as proposed has been determined to have minimal or no significant impact on the environment. The Planning Office has reviewed the proposed action and determines it is in accordance with the 2012 Aina Mauna Legacy Program Final Environmental Assessment.

Project will be subject to further environmental review and compliance due to the use of Federal funds. Federal compliance will be navigated as part of Project.

CONSISTENCY WITH DHHL PLANS, POLICIES AND PROGRAMS

Aina Mauna Legacy Program (2009)

The recommended disposition is consistent with the following Aina Mauna Legacy Plan Goals and Initial Immediate Actions:

Land and Resource Management

Goals:

- Restoration and enhancement of DHHL trust resources
 - Project will allow for the restoration of the once vast Wao Akua of Mauna Kea through
 - Ungulate fencing
 - Sheep and Cattle exclusion
 - Koa and possible sandalwood reforestation
- Address reforestation and restoration of the ecosystem
 - Secure funding of fence infrastructure to protect native forest cover and native species habitat.
 - Provide a protected area to for native forest restoration.
- Conserve natural and cultural resources and endangered species
 - Prevent movement of feral ungulates into sensitive native ecosystems and replenish habitat for native plant and animal species.
 - Koa forests may be used to supply wood for cultural practices.
- Identify and secure partners to sustain activities.

- This is the first Project between DHHL and the USDA CSC Program and takes advantage of and navigates this Federal funding source and builds a relationship for future funding opportunities.
- Leverage limited DHHL funds for AMLP objectives.
- Future revenue from koa forestry can be reinvested into the Aina Mauna to make it economically feasible and self-sustainable.

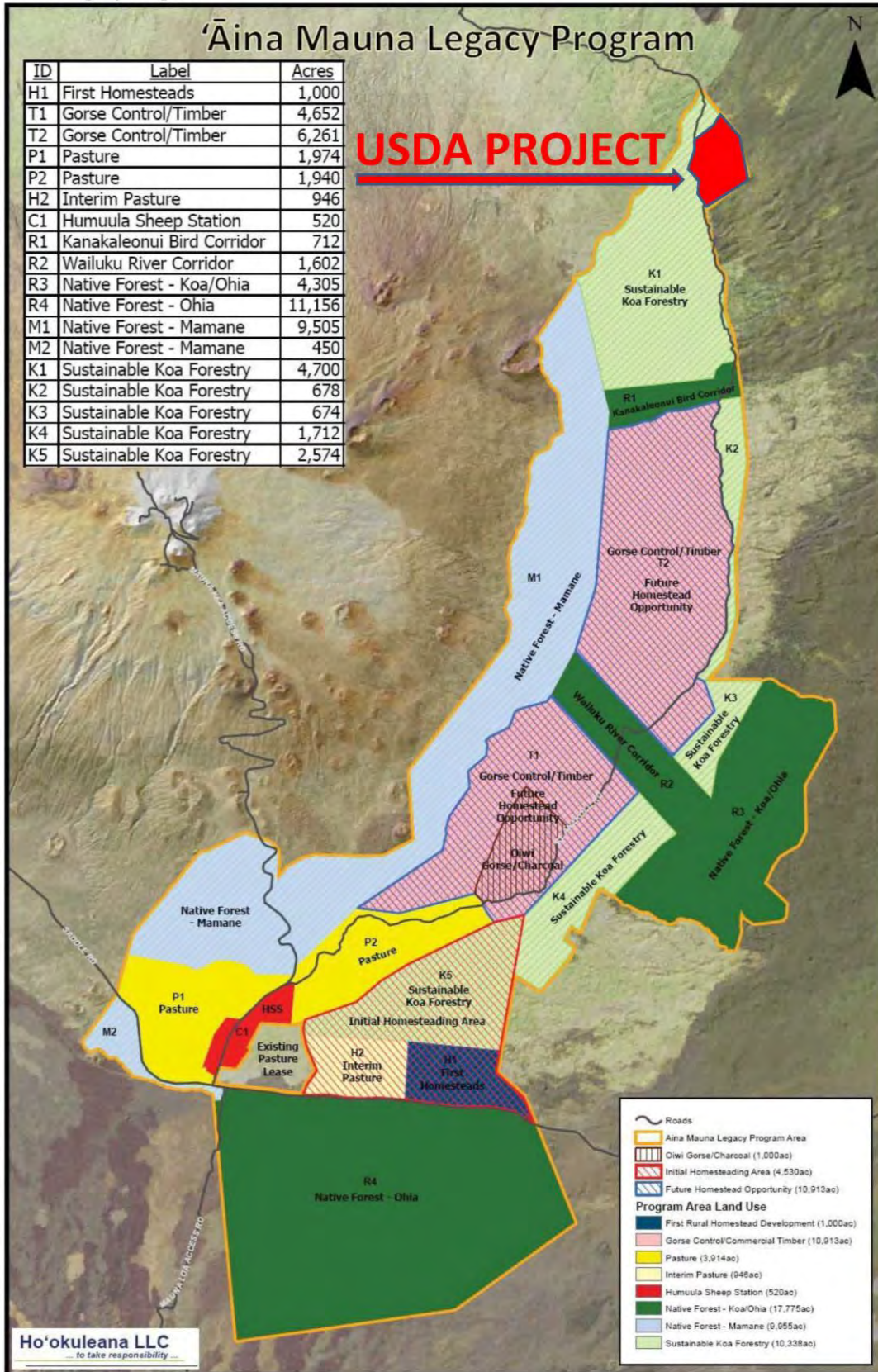
Initial Immediate Actions:

- Initiate un-managed ungulate control over entire property.
 - Ungulate fencing is a valuable tool in managing and controlling feral ungulate movement, excluding them from koa forestry areas preserves DHHL investment.
- Initiate a set aside for portions of the property for restoration and enhancement purposes.
 - Native koa forest restoration in the Project area is in full alignment with the vision and plan for the Aina Mauna Legacy Program. Aside from being an extremely lucrative forestry crop, koa is also the keystone species of the Wao Akua, capturing massive amounts of mist, and providing habit for native plant and animal species.
- Initiate State, Federal and Private Grant Applications to Support Resource Restoration
 - This Project is the product of DHHL staff working with partners and Federal agencies to identify available funding sources and an appropriate, competitive project and apply for grant opportunities.
 - Future revenue from koa forestry can be reinvested into the Aina Mauna to make it economically feasible and self-sustainable.
- Initiate a Safe Harbor Agreement for Threatened/Endangered Species Over Entire Site
 - Voluntary actions like this Project that improve habitat for endangered species are taken into consideration and gives DHHL leverage when negotiating Safe Harbor or other agreements to mitigate impacts to endangered species across the Aina Mauna Lands.

RECOMMENDATION:

Land Management Division respectfully requests approval of the motion as stated.

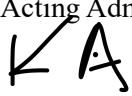
‘Aina Mauna Legacy Program



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023

To: Chairman and Members, Hawaiian Homes Commission

From: Peter “Kahana” Albinio, Jr., Acting Administrator
Land Management Division 

Subject: Approval to Issue Right-of-Entry Permit to U S Army Corps of Engineers, Kawaihae, Island of Hawai‘i
TMK No. (3) 6-1-001:003
(3) 6-1-002, 003, 004, 006: various
(3) 6-2-001:012; (3) 6-2-006:003
(3) 6-6-001, 004, 007, 012: various

APPLICANT

Department of the Army, U.S. Army Corps of Engineers – Honolulu District

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (“HHC”) authorize the issuance of a Right-of-Entry (“ROE”) Permit to the Department of the Army, U.S. Army Corps of Engineers (“USACE”) to investigate these parcels for chemical contamination, containerized regulated substances, or Munitions of Explosives of Concern, which may involve soil sampling, installation of ground water monitoring wells, geophysical surveys, and clearance of surface vegetation.

The approval is subject to the following conditions:

1. All proposed activities will be coordinated with the Department of Hawaiian Home Lands, Land Management Division (“DHHL-LMD”) 15 days prior to the start of work.
2. This ROE does not grant any right to enter into any structure or building located on the property located on the parcels identified above.
3. If any action of the USACE’s employees or agents in the exercise of this ROE results in damage to the real property, USACE will, in its sole discretion, either repair such damage or make an appropriate settlement with DHHL. In no event shall such repair or settlement exceed the fair market value of the fee title to the real property at the time immediately preceding such damage. The USACE’s liability under this condition is subject to the availability of appropriations for such payment, and nothing contained in this agreement may be considered as implying that Congress will, at a later date, appropriate funds sufficient to meet deficiencies.
4. The standard terms and conditions of the most current ROE Permit form, as may be amended from time to time.

5. Such other terms and conditions as may be prescribed by the HHC to best serve the interests of the Hawaiian Home Lands Trust.

LOCATION:

A total of 38 parcels of Hawaiian home lands situate in and around Kawaihae and known as the former Waikoloa Maneuver Area on the Island of Hawaii, identified by the table below and identified in maps marked Schedule "A".

Tax Map Key Nos.

(3) 6-1-001:003	(3) 6-1-002:083	(3) 6-1-006:001
(3) 6-1-002:065	(3) 6-1-003:016	(3) 6-1-006:002
(3) 6-1-002:069	(3) 6-1-003:017	(3) 6-2-006:003
(3) 6-1-002:070	(3) 6-1-003:019	(3) 6-1-006:004
(3) 6-1-002:071	(3) 6-1-003:020	(3) 6-2-001:012
(3) 6-1-002:072	(3) 6-1-003:021	(3) 6-6-001:077
(3) 6-1-002:073	(3) 6-1-004:004	(3) 6-6-004:136
(3) 6-1-002:074	(3) 6-1-004:012	(3) 6-6-004:140
(3) 6-1-002:075	(3) 6-1-004:014	(3) 6-6-004:141
(3) 6-1-002:076	(3) 6-1-004:020	(3) 6-6-007:071
(3) 6-1-002:077	(3) 6-1-004:041	(3) 6-6-012:009
(3) 6-1-002:078	(3) 6-1-004:045	(3) 6-6-012:022
(3) 6-1-002:079		(3) 6-6-012:023

DISCUSSION:

Through a letter dated June 22, 2023, the Honolulu District of the USACE (See Exhibit "A"), requested permission to enter the above identified parcels of Hawaiian home lands, as located within, or adjacent to the former Waikoloa Maneuver Area. The Formerly Used Defense Sites Program was established to identify and remedy properties where past Department of Defense activities may have contributed to a contaminated condition that could present a risk to human health and the environment.

A copy of the Waikoloa Maneuver Area fact sheet is attached herewith as Exhibit "B". This will give an overview of the area, the program, and frequently asked questions regarding this activity.

Out of the 38 parcels, only four are under homestead leases. Portions of five parcels are under month-to-month right of entry permits. The lessees and the tenants will be notified prior to any activities impacting their parcel.

The USACE requests access to the above identified parcels for five (5) years for their employees or agents to complete the necessary assessment on the condition of these parcels. Activities anticipated may involve making a visual inspection, survey with a metal detector or other instrument, and collecting soil and/or water samples, including potential delays in the document review schedule and multiple field work mobilizations, this phase of work is anticipated to end in or around June 2028. After this phase of Remedial Investigation/Feasibility Study, the USACE will advise DHHL of its findings and discuss the next step in the process for addressing any hazards that may be present as a result of the former use of these parcels and may seek additional permission before proceeding with any further action that may be required.

AUTHORITY

Section 204(a)(2) of the Hawaiian Homes Commission Act, 1920, as amended

Section 171-55, Hawaii Revised Statutes, as amended

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with the updated Comprehensive Exemption List for the State of Hawaii, Department of Hawaiian Home Lands, as Approved by the Environmental Council as of April 6, 2021, the subject request is exempt from the preparation of an environmental assessment pursuant to Type 5 under Part I, titled De Minimis Activities, “Basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource”.

RECOMMENDATION

DHHL-LMD respectfully requests approval of the motion as stated.



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, HONOLULU DISTRICT
230 OTAKE STREET, BUILDING 230
FORT SHAFTER, HAWAII 96858-5440

June 22, 2023

Environmental Programs Branch
Programs and Project Management

via USPS Certified Mail

DEPT OF HAWAIIAN HOME LANDS
ATTN: KAHANA ALBINIO, ACTING LAND MANAGEMENT ADMINISTRATOR
91-5420 KAPOLEI PARKWAY
KAPOLEI, HI 96707

Dear Property Owner or Lessee:

The U.S. Army Corps of Engineers (USACE) has identified the property you own at: Tax Map Keys (TMK) that are listed below, as located within, or adjacent to the former Waikoloa Maneuver Area. The Formerly Used Defense Sites Program was established to identify and remedy properties such as yours, where past Department of Defense (DoD) activities may have contributed to a release. Past DoD activities may have contributed to a contaminated condition that could present a risk to human health and the environment. The USACE is seeking access to respond to the potential condition of your property in accordance with applicable laws and regulations.

TMKs		
(3) 6-1-001:003	(3) 6-1-002:083	(3) 6-1-006:002
(3) 6-1-002:065	(3) 6-1-003:016	(3) 6-1-006:003
(3) 6-1-002:069	(3) 6-1-003:017	(3) 6-1-006:004
(3) 6-1-002:070	(3) 6-1-003:019	(3) 6-2-001:012
(3) 6-1-002:071	(3) 6-1-003:020	(3) 6-6-001:077
(3) 6-1-002:072	(3) 6-1-003:021	(3) 6-6-004:140
(3) 6-1-002:073	(3) 6-1-004:004	(3) 6-6-007:071
(3) 6-1-002:074	(3) 6-1-004:012	(3) 6-6-012:009
(3) 6-1-002:075	(3) 6-1-004:014	(3) 6-6-012:022
(3) 6-1-002:076	(3) 6-1-004:020	(3) 6-6-012:023
(3) 6-1-002:077	(3) 6-1-004:041	(3) 6-6-004:136
(3) 6-1-002:078	(3) 6-1-004:045	(3) 6-6-004:141
(3) 6-1-002:079	(3) 6-1-006:001	

A fact sheet providing information on the FUDS Program and the FUDS Property is enclosed. General information on the FUDS program is also available at <http://www.fuds.mil>.

We request your permission to enter the property for a period sufficient to complete the necessary work as described in the attached Right-of-Entry agreement, generally anticipated to be five years from the date you sign the ROE to determine if any DERP eligible CERCLA contamination for execution by the FUDS Program is present on your property, etc. This may involve making a visual inspection of the property, surveying it with a metal detector or other instrument, and collecting soil and/or water samples, etc. At this time, we are not able to specify the exact dates for performing work due to the unpredictable nature of the weather and other factors. However, we will notify you at least

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ITEM NO. F-4

EXHIBIT 'A'

15 calendar days prior to commencing on-site activities. If you decide to grant permission, please sign and return the enclosed Right-of-Entry form in the envelope provided. We are requesting that each owner, lessee, and trustees voluntarily sign the form.

Our previous efforts to secure a Right-of-Entry from you, including a letter requesting Right-of-Entry dated June 2, 2023, have either gone unanswered or been refused. It is very important that you consider our request for Right-of-Entry carefully as it is to our mutual benefit to work together. If we have not received a signed right-of-Entry within 15 calendar days of your receipt of this letter, our next action is to notify the State environmental regulator and seek their support in securing access to conduct work on your property.

After performing the Remedial Investigation/Feasibility Study phase for this project, we will advise you of our findings. We will also discuss with you the next steps in the process for addressing any hazards that may be present as a result of DoD's former use of the property and seek your additional permission before proceeding with any further action that may be required on the property.

If you have any questions regarding this request or would like further information, please contact Mr. Dave Griffin, Waikoloa Maneuver Area Program Manager with the U.S Army Corps of Engineers, at 808-835-4079.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Griffin', with a long horizontal flourish extending to the right.

David Griffin
Waikoloa Maneuver Area
Program Manager
U.S. Army Corps of Engineers

Encls
Right-of-Entry
FUDS Program Fact Sheet

Schedule A





FUDS Property: Waikoloa Maneuver Area

FUDS Property No.: H09HI0359

FUDS Projects: SECTORS 16A, 16B, 16C, 16D AND 16E

Owner: DEPT OF HAWAIIAN HOME LANDS
ATTN: KAHANA ALBINIO,
ACTING LAND
MANAGEMENT
ADMINISTRATOR

Legend

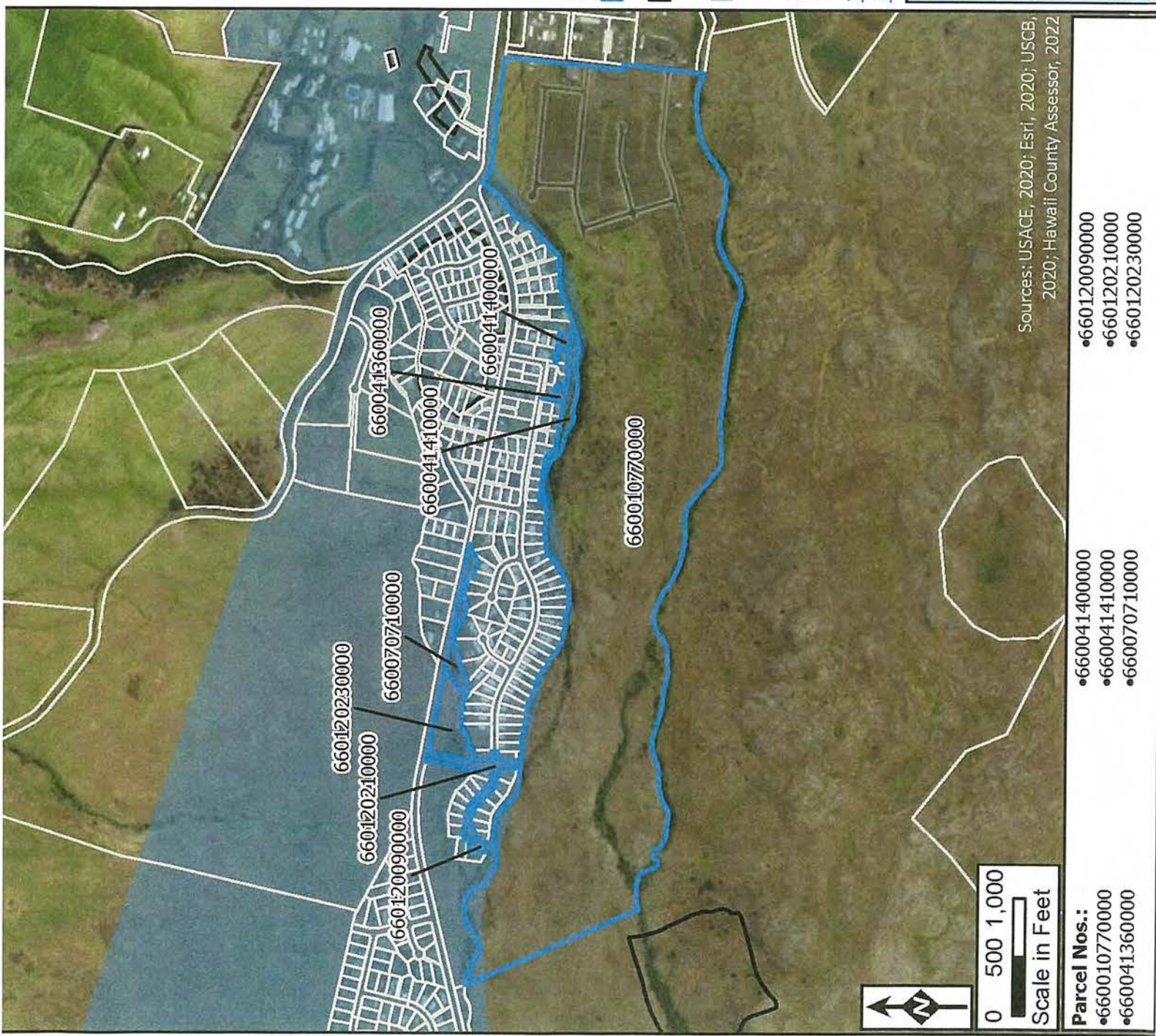
-  Parcel Boundary
-  FUDS Property Boundary
-  Waikoloa Maneuver Area
-  FUDS Project Boundary
- Project No.: 20

For general information about the FUDS Program, visit:

www.poh.usace.army.mil/Missions/Environmental/FUDS/Waikoloa



US Army Corps of Engineers



Parcel Nos.:
•660041400000
•660010770000
•660041360000

•660120090000
•660120210000
•660120230000

Schedule A

FUDS Property: Waikoloa Maneuver Area

FUDS Property No.: H09HI0359






FUDS Projects: SECTORS 16A, 16B, 16C, 16
AND 16E

Owner: DEPT OF HAWAIIAN HOME
LANDS

ATTN: KAHANA ALBINIO,
ACTING LAND
MANAGEMENT
ADMINISTRATOR

Parcel Nos.: 6100100300000
6200101200000

Legend

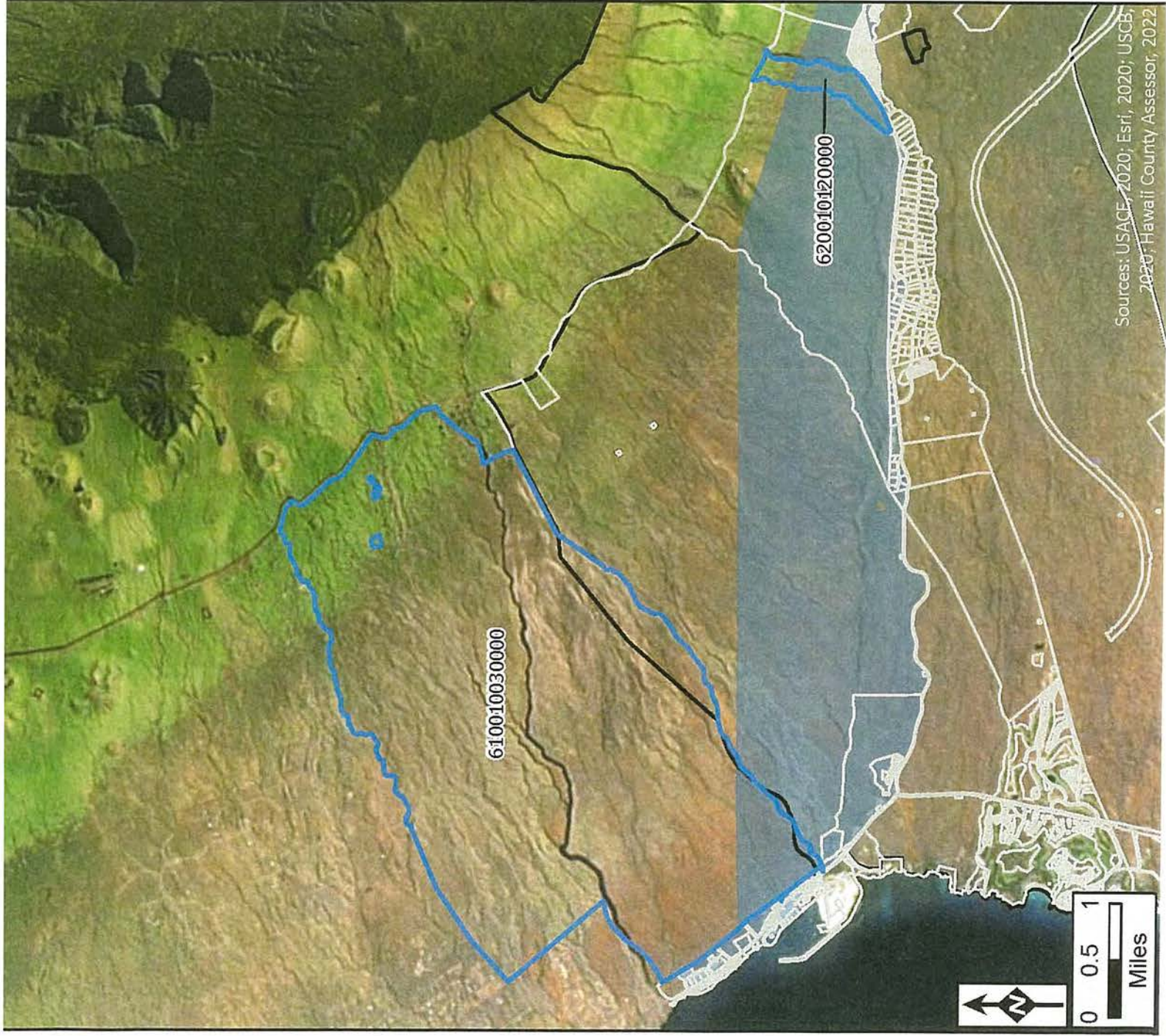
-  Parcel Boundary
-  FUDS Property Boundary
-  Waikoloa Maneuver Area
-  FUDS Project Boundary
-  Project No.: 20

For general information about the
FUDS Program, visit:

[www.poh.usace.army.mil/Missions/
Environmental/FUDS/Waikoloa](http://www.poh.usace.army.mil/Missions/Environmental/FUDS/Waikoloa)



US Army Corp
of Engineers



Sources: USACE, 2020; Esri, 2020; USCB,
2020; Hawaii County Assessor, 2022

Schedule A

FUDS Property: Waikoloa Maneuver Area

FUDS Property No.: H09HI0359

FUDS Projects: SECTORS 16A, 16B, 16C, 16 AND 16E

Owner: DEPT OF HAWAIIAN HOME LANDS
ATTN: KAHANA ALBINIO,
ACTING LAND
MANAGEMENT
ADMINISTRATOR

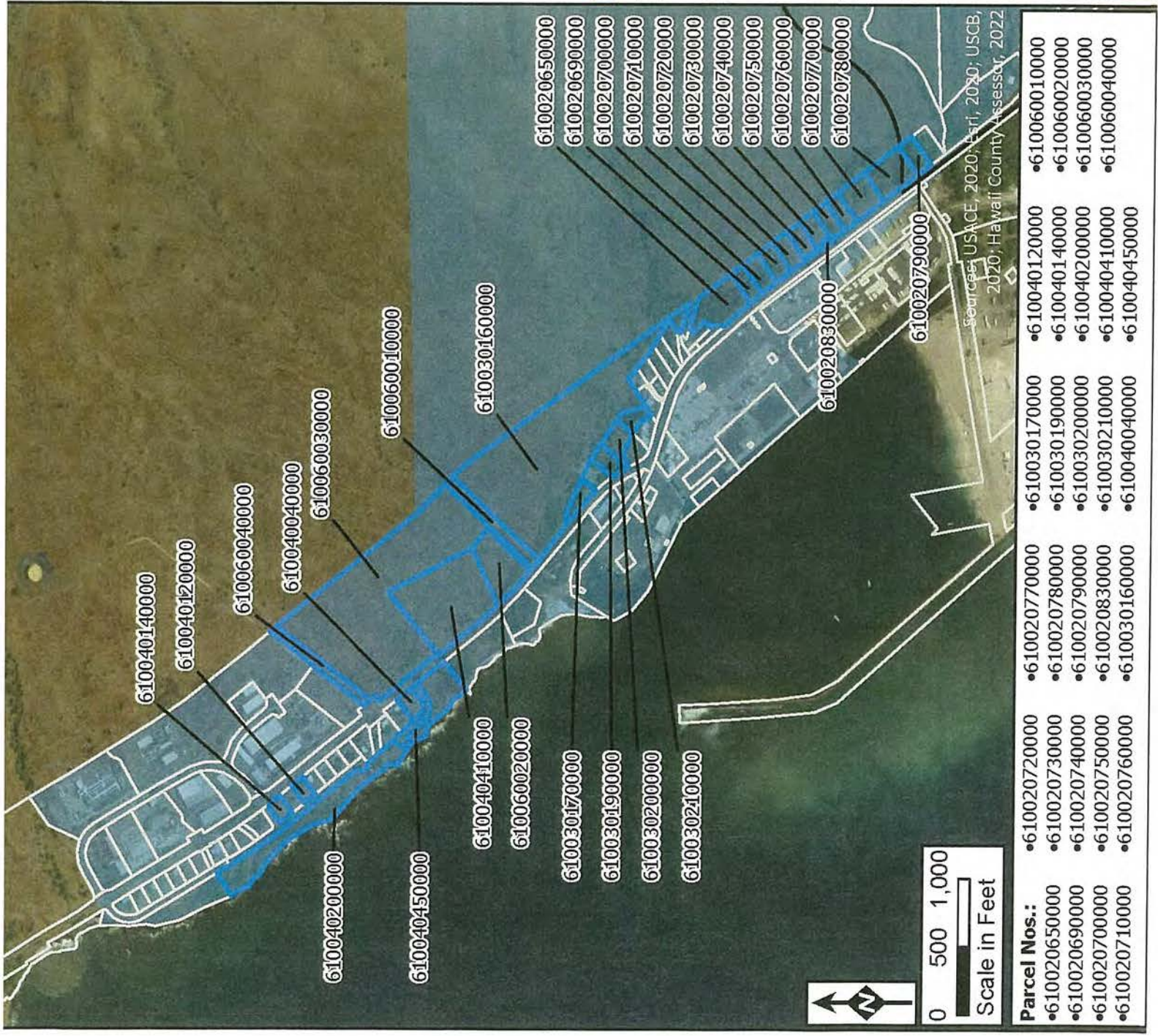
Legend

- Parcel Boundary
- FUDS Property Boundary
- Waikoloa Maneuver Area
- FUDS Project Boundary
- Project No.: 20

For general information about the FUDS Program, visit:
www.poh.usace.army.mil/Missions/Environmental/FUDS/Waikoloa



US Army Corps
of Engineers





Right of Entry Fact Sheet

2023

Overview

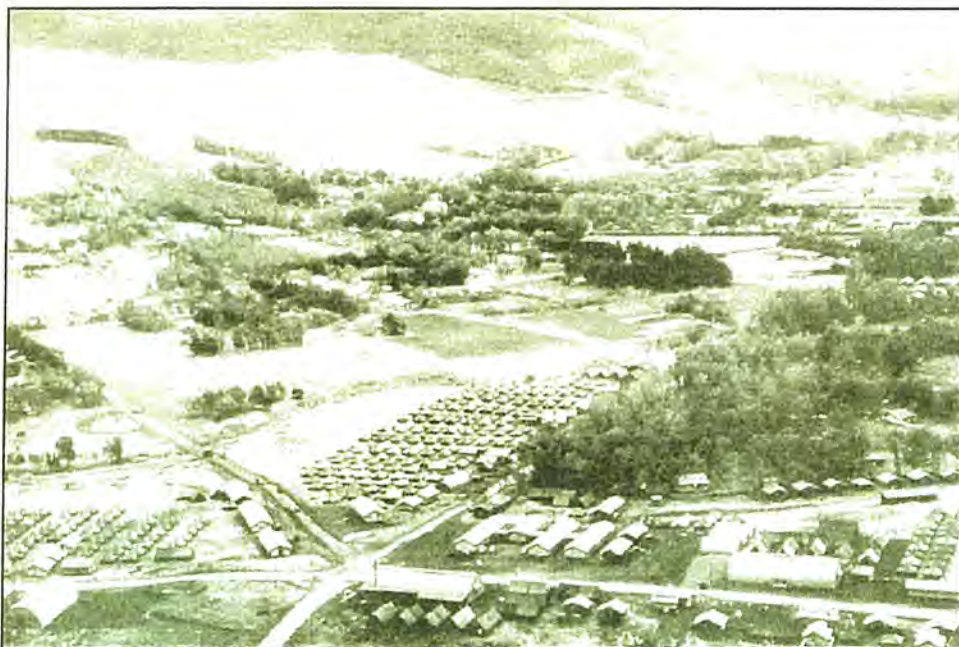
In 1993, the approximately 100,000 acre Waikoloa Maneuver Area (WMA) was designated eligible for the Formerly Used Defense Site (FUDS) Program. Since then, the U.S. Army Corps of Engineers (USACE) has conducted numerous investigations and munitions clearance activities throughout South Kohala.

Because these activities are ongoing in and around the area of your property, USACE is seeking rights of entry (ROEs) to allow continued investigations as well as munitions clearance activities, if warranted.

The WMA FUDS is located on the western side of the Big Island of Hawaii in South Kohala. The WMA has been divided into 22 smaller projects. This fact sheet provides information for the overall Former WMA FUDS Property. More specific information is available by visiting www.fuds.mil.

What is FUDS

FUDS are properties that were formerly owned by, leased to or otherwise possessed by the Department of Defense (DOD) and transferred from DOD control prior to October 17, 1986. USACE is the organization responsible for environmental remediation of these properties.



Bird's eye view of the former Camp Tarawa.

Source: Waimea Gazette

History

In 1943, the U.S. Navy acquired property from Parker Ranch to use for various military training activities. The 2nd and 5th Marine Division used the land for an encampment, artillery firing ranges and troop maneuver areas.

WMA was the largest encampment on the Island of Hawaii and served 50,000 troops between 1943 and 1946. Prior to the departure of the 5th Marine Division in 1946, a munitions surface clearance was conducted at WMA. In September 1946, the property was returned to Parker Ranch.

A second munitions surface clearance was conducted in 1954 following an accidental detonation of a munition, and approximately 400 munitions were cleared from WMA.

Since hazards from military munitions may remain at the WMA FUDS, USACE encourages you to follow the **3Rs of Explosives Safety**:

Recognize – when you may have come across a munition, and that munitions are dangerous.

Retreat – do not approach, touch, move or disturb it, but carefully leave the area.

Report – call 911 and advise police of what you saw and where you saw it.

Right of Entry Frequently Asked Questions

What is an ROE agreement and why should I sign it?

An ROE is a legal agreement that gives USACE and its contractors permission to go onto your property for a specified amount of time and for specific purposes, such as testing or conducting clean up actions. By signing this agreement, the landowner protects their rights and establishes the limits and responsibilities of USACE.

What if I already received and signed an ROE?

If you previously received and signed an ROE, the agreement is due to expire or has already expired. USACE would like to obtain ROE for your property to ensure continued access over the next five (5) years.

What if I don't sign the ROE?

It is the landowner's decision to sign or not sign the ROE. However, if the ROE is not signed, USACE will not be able to determine if there are any

military munitions on the property. USACE will coordinate with the landowner so its work causes as little disruption as possible.

If potential munitions are encountered, please follow the 3Rs of Explosives Safety - Recognize, Retreat, and Report.

What happens after I sign the ROE?

USACE will schedule a date and time with the landowner to visit the property.

Can USACE come on my property at any time without notifying me?

USACE will contact the landowner to coordinate access to the property.

Do I have to be home to let USACE on my property?

Not necessarily. If the work to be performed is in an easily accessible area or if prior arrangements are made, then it would not be necessary for the landowner or resident to be present. However, if you only want

work done when you are present, those arrangements will be made. Sometimes, because of the nature of the work being done and for safety reasons, USACE may require that a landowner or resident not be present.

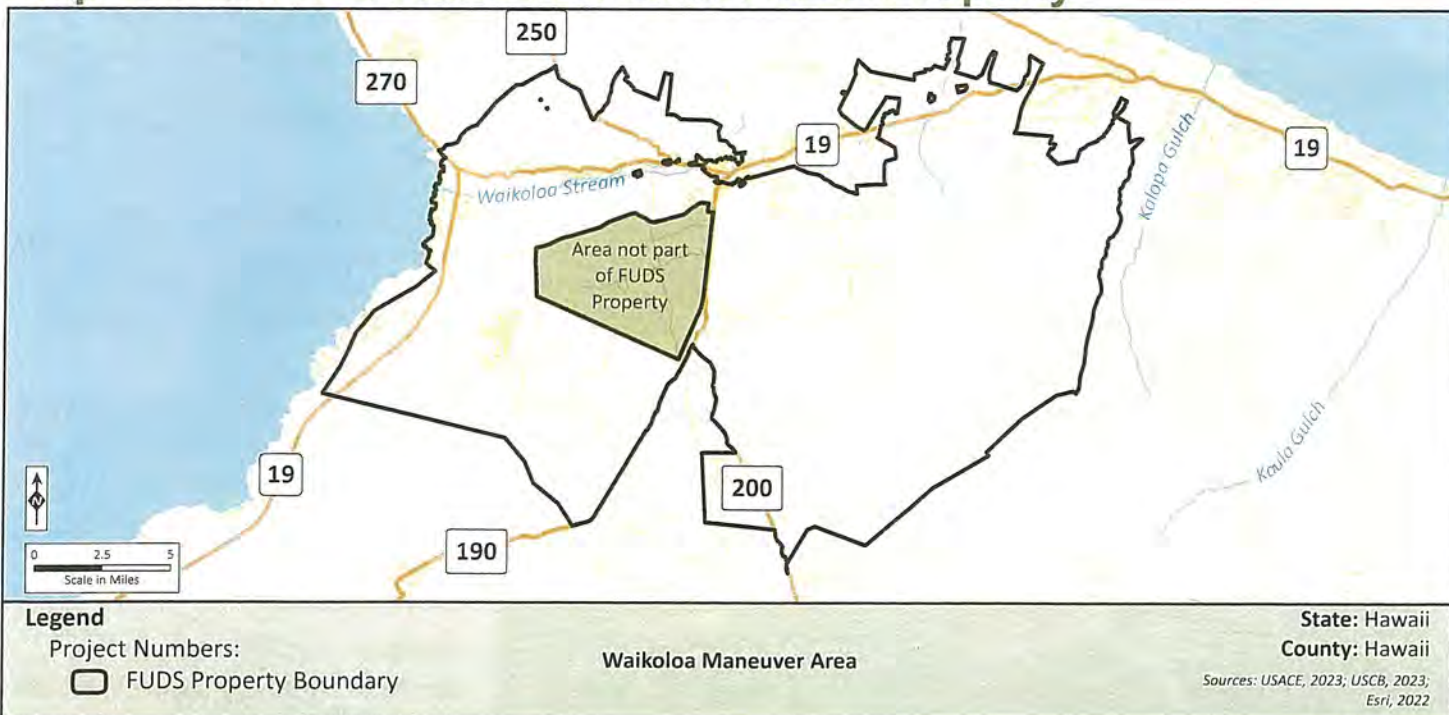
How long will it take for work to be completed on my property?

The dates and duration can not be predicted because the work is dependent on a number of factors, such as getting the required ROEs in the area, weather, etc.

What happens if I sign the ROE and then change my mind?

The landowner should contact USACE Honolulu District Environmental Office to verify if an agreement/change can be made. The ROE is a legal agreement upon which USACE and the landowner rely, and it's important that as taxpayer dollars are spent, both parties live up to their agreement. USACE is committed to trying to resolve these types of problems as quickly as possible.

Map of Waikoloa Maneuver Area FUDS Property



**US Army Corps
of Engineers.**
Honolulu District

FOR MORE INFORMATION


Contact the U.S. Army Corps of Engineers, Honolulu District Office at
CEPOH-PA@usace.army.mil.

To learn more about the FUDS Program, visit www.fuds.mil.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Peter "Kahana" Albinio, Jr., Acting Administrator
Hawaiian Homes Commission 

SUBJECT: Authorization to Enter Into a Sale of Lease at Public Auction for Industrial Purposes for the, Kaei Hana II Industrial Subdivision Kawaihae, Hawai'i Island, TMK No. (3) 6-1-006:013

RECOMMENDED ACTION/MOTION

That the Hawaiian Homes Commission (HHC) authorize the following:

- A. To advertise and conduct public land disposition for one industrial parcel on Hawaiian home lands, located within the Kaei Hana II Industrial Subdivision identified with TMK No. (3) 6-1-006:013 situated at Kawaihae, Island of Hawai'i
- B. To set all appropriate terms and conditions, to be approved by the Chairman, Hawaiian Homes Commission, in accordance with the requirements of Chapter 171, Hawaii Revised Statutes, as amended, pursuant to Section 204(a)(2), Hawaiian Homes Commission Act, 1920, as amended.
- C. To expend budgeted funds necessary for a fair market summary appraisal report, engineering and/or environmental assessment, if necessary, on the subject parcel which is designated for non-residential use on the Hawaii Island Plan and MG-1A General Industrial District in the County of Hawaii Land Use Ordinances.
- D. To request authorization from the Department of the Attorney General to retain outside legal counsel, if necessary, in the lease negotiation of the final terms and conditions of the general lease agreements.

DISCUSSION

Creating interest in the Department of Hawaiian Home Lands proposed general leasing program is a primary objective of the Land Management Division (LMD). In conjunction with publication of required legal notices to auction public lands pursuant to Chapter 171, HRS, LMD will initiate its leasing process and notify appropriate interested parties/trade organizations on the availability of the parcels for long term lease.

LMD follows the real estate practices of continually marketing its commercial/industrial properties to draw the interest of qualified and creditworthy lessees.

LMD will procure the services of an appraiser to conduct the upset fair market lease rent and the valuation of the improvements on site. The public auction will include a special provision for the applicant for the general lease to purchase the improvements from DHHL.

SELECTED PROPERTY

1. Kaei Hana II Industrial Subdivision, Kawaihae, Island of Hawaii

Tax Map Key No.: (3) 6-1-006:013 (See Exhibit "A")

Lot Size: 2.0 Acres

Zoning: MG-1A, General Industrial

Improvements: Warehouse building, approximately 7,014 sf, built in 1998

2023 Tax assessed Value:

Land \$511,300.00

Improvements \$669,400.00

The prior general lease under this property was terminated for non-performance. Currently, the sublessee, Kohala Coast Concrete & Precast, is using a portion of the property and paying monthly rent of \$3,918.00.

AUTHORIZATION

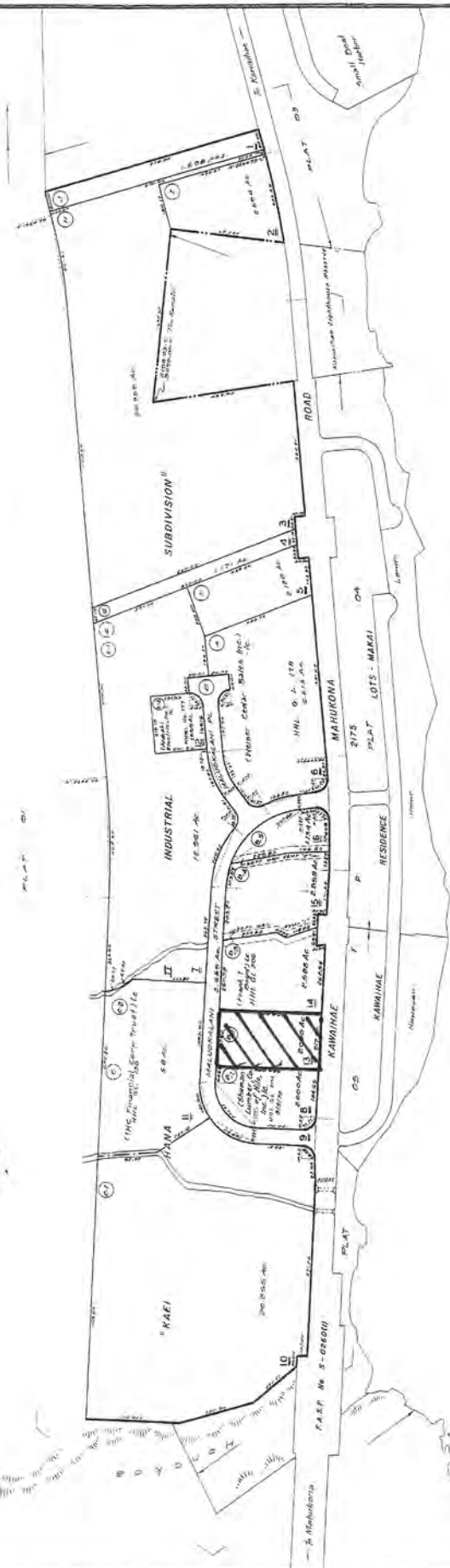
Section 204(a)(2) of the Hawaiian Homes Commission Act, 1920, as amended.

Sections 171-13, -14, -14.5, -16, , -17, and other applicable sections of Chapter 171, Hawaii Revised Statutes, as amended.

Section 10-4-1, Hawaii Administrative Rules

RECOMMENDATION

LMD requests approval of the motion as stated.



Edward Bernays.

NOTE: All sales measured during March thru August, 1964.

DEPARTMENT OF TAXATION
PROPERTY TECHNICAL OFFICE
TAX MAPS BRANCH
STATE OF HAWAII

TAX MAP

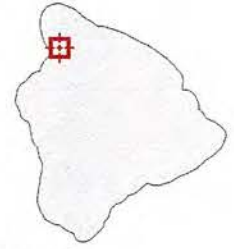
THIRD TAXATION DISTRICT		
ZONE	SEC	PLAT
6	1	06

FOR PROPERTY ASSESSMENT PURPOSES
SUBJECT TO CHANGE

KAE' HANA II", POR KAWAIHAE 1ST, SOUTH KOHALA, HAWAII (formerly nos. 6-1-01, 03, 04 & 05.)



Overview



Legend

Parcels

Parcel ID	610060130000	Situs/Physical Address		Market Land Value	\$511,300	Last 2 Sales			
Acreage	2.0	Mailing Address	HAWAIIAN HOME LANDS	Dedicated Use Value	\$0	Date	5/31/2019	Price	0
Class	INDUSTRIAL			Land Exemption	\$0			Reason	LEASE INTEREST ONLY
				Net Taxable Land Value	\$511,300	n/a		0	n/a
				Assessed Building Value	\$669,400				
				Building Exemption	\$0				
				Net Taxable Building Value	\$669,400				
				Total Taxable Value	\$1180700				

Brief
Tax Description n/a

(Note: Not to be used on legal documents)

*Hawaii County makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll. The 'parcels' layer is intended to be used for visual purposes only and should not be used for boundary interpretations or other spatial analysis beyond the limitations of the data. The 'parcels' data layer does not contain metes and bounds described accuracy therefore, please use caution when viewing this data. Overlaying this layer with other data layers that may not have used this layer as a base may not produce precise results. GPS and imagery data will not overlay exactly.

Date created: 8/29/2023


Last Data Uploaded: 8/29/2023 1:37:47 PM

Developed by

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023

To: Chairman and Members, Hawaiian Homes Commission

From: Peter “Kahana” Albinio, Jr., Acting Administrator
Land Management Division 

Subject: Approval to establish a Preliminary Condominium Property Regime (CPR) and approve to amend General Lease No. 294, KALAELOA HOME LANDS SOLAR, LLC (“KHLS”), Kalaeloa, Island O’ahu, TMK No. (1) 9-1-013:029

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission grant its approval to the following:

A. Approval for “KHLS” as Lessee to establish a Preliminary Condominium Property Regime (CPR) for the premises under General Lease No. 294, covering 29.853 acres of Hawaiian home lands identified by TMK No. (1) 9-1-013:029, and more specifically delineated in Exhibit “A” subject to the following conditions:

1. LESSEE shall bear any and all associated costs for the CPR process as proposed; and
2. LESSEE shall submit the following items for review by the Hawaiian Homes Commission:
 - a) A complete final condominium map that represents its project design which shall conform and be in strict compliance with applicable county, state and federal (government agencies) requirements; and
 - b) A condominium Property Regime Declaration document draft for review by the Hawaiian Homes Commission.

B. Subject to the preliminary approval of the CPR referenced above, approve to amend GL 294 as particularly identified and described below and further reflected in and Amendment Draft attached hereto as Exhibit “B” :

1. Annual Lease Rent Proration: Upon FINAL approval by the Hawaiian Homes Commission of the CPR as envisioned, the Annual Lease Rent shall be pro-rated as reflected in the General Lease 294 – Rent Payment Matrix Table below:

General Lease 294 - Rent Payment Matrix Table

Lease Terms	Acreage	% of Parcel Acreage	Total Annual Rent	Annual Escalator
Lease Terms: TMK (1) 9-1-013:029	29.853	100%	\$120,000.00	1%
Phased Projects	Acreage	% of Parcel Acreage	Proportion of Annual Rent	Annual Escalator
KHLS Phase I	7.31	24.5%	\$29,400	1%
KHLS Phase II	22.54	75.5%	\$90,600	1%

Rent Category	2024	2025	2026	2027	2028
Phase I Rent	\$29,400	\$29,694	\$29,991	\$30,291	\$30,594
Phase II Option Payment*	\$20,000.00	\$20,000.00	-	-	-
Phase II Project Rent**	-	-	\$92,421.06	\$93,345.27	\$94,278.72
Phase II - Rent Premium Accumulation (paid at Phase II COD, est. 2026)**	\$90,600.00	\$91,506.00	-	-	-
Phase II - Rent Premium Payment	-	-	\$182,106.00	-	-
Total Rent Paid**	\$120,000.00	\$121,200.00	\$304,518.00	\$123,636.12	\$124,872.48

**Option Payment will be in the amount of \$20,000 annually until the earlier of (1) Phase II reaching COD or (2) the expiration or termination of the Lease. **Estimates KHLS Phase II COD in 2026. Phase II Project Rent and Rent Premium to be paid when Phase II reaches its Commercial Operation Date, which may vary from the estimated date shown herein.*

Rent is proportional to the area of Phases in operation, and rent shall begin on the respective Commercial Operation Date of each Phase.

- Phase I will comprise 24.5% of the leased premises, and Phase II will comprise 75.5% of the remaining portion of the leased premises.
 - KHLS would therefore begin paying \$29,400 (or 24.5% of Total Rent) annually (with applicable annual escalation) upon Phase I COD (expected 3/2024) and then a full amount of \$120,000 annually (with applicable annual escalation) upon Phase II COD (anticipated March 2026)
 - KHLS will pay an annual Option Fee of \$20,000 for the Phase II Project (paid with the Phase I rent payment is paid.) The option fee payment will continue until the Phase II project hits COD, at which point the full lease rent will be paid.
2. Lease Term Extension: The term of the lease shall be extended for an additional FIVE (5) Years, thereby increasing the term from Twenty (20) to Twenty-Five (25) years. The Twenty-Five (25) year term shall commence on the Commercial Operation Date (COD) effective as of March 1st, 2024, and expire on February 28th, 2049.
- KHLS desires to extend the term so that Phase II will also have a full term and comply with Hawaiian Electric's Standard Form Contract terms.
3. Community Benefit: KHLS has engaged with the Kapolei Community Development Corporation as Community Investment Partner and commits to the following:

- Investment of an amount equal to 6% of Phase I's rent to Community Partnership.
- Partnership exploration with DHHL and KCDC to offer Phase II subscriptions to beneficiaries.
- Investment of an amount equal to 6% of Phase II's rent to Community Partnership

The following are pertinent information on GL No. 294:

General Lease No. 294 was originally awarded to Kalaeloa Home Lands Solary, LLC, a Delaware limited liability company as Lessee, for a twenty (22) year term commencing on October 1, 2011 and ending as of midnight on September 30, 2033 as noted in the Memorandum of Lease dated October 1, 2011, and recorded in the State of Hawai'i Bureau of Conveyances on January 3, 2012, Document No.: T-8037302, which Lease by mesne assignments was assigned to ARION ENERGY, LLC, a Colorado limited liability company, dated July 2, 2018 but made effective June 1, 2018 as noted by instrument Consent and Amendment of General Lease No. 294 document, unrecorded, then assigned to Pivot Energy, LLC, a Colorado limited liability corporation, as noted by instrument Assignment of Membership Interests, dated and signed on April 18, 2022, unrecorded.

General Lessee:	KALAELOA HOME LAND SOLAR, LLC a foreign limited liability company
Location:	Kalaeloa, Island of O'ahu
Tax Map Key No.:	(1) 9-1-013:029 referred to as Lot 13069-A
Land Area:	29.853 (1,300,397 sq. Ft.)
Term:	20 years; 10/01/2013 – 09/30/2033
Base Annual Rental:	\$120,000.00, escalating at one percent1.0% annually from the dated of COD; One percent (1.0%) of the actual gross revenue of the project shall be paid annually by LESSEE to LESSOR to fund LESSOR's future housing program. In addition, should the PPA rate exceed \$0.15/kWh, fifty percent (50.0%) of every \$0.01 or fraction thereof above the \$0.15/kWh rate will be paid annually to DHHL
Character of Use:	Solar Power Production Facility

DISCUSSION

Lessee is developing a solar farm on the property in two phases (Phase I and Phase II). Phase I will be built on approximately 7.310 acres of the leased property, and Phase II will be built on approximately 22.543 acres. Phase I has been approved by HECO, and Lessee has an

approaching Commercial Operation Date (March 2024,) the date that Phase I of the project begins to sell power to HECO ("COD"). In order to meet the COD for Phase I as set by HECO, Lessee is planning to mobilize shortly to construct the fence, road access, and steel piles for Phase I onsite. This will allow Lessee to make a substantial process extension request to HECO, enabling us to complete the rest of the construction thereafter and meet HECO's deadlines. The Phase II project is in the planning stages and will begin development and eventual construction upon receiving a capacity award from HECO.

For financing and operational purposes, KHLS desires to establish a spatial CPR at the leasehold level with two spatial condominium units as delineated in Exhibit "A." Each unit would be sub-leased to an affiliate of Lessee, which would develop the separate phases of the solar project on the separate units (Phase I on Unit 1 and Phase II on Unit 2). Because the CPR would be established at the leasehold level, the CPR would be coterminous with the term of GL 294, and thus terminate when GL 294 expires or is terminated. This structure is necessary for KHLS, as KHLS needs each phase to be developed and operated by separate special purpose affiliate entities for financing and operation purposes. Accordingly, implementing a CPR is critical for KHLS to reach the Phase I COD. KHLS is planning to execute the CPR declaration as soon as DHHL issues its approval.

For Phase I financing purposes, KHLS is desires the proration of rent under GL 294 to allocate the timing and amount of rent owed based on the COD for each phase and the relative area each phase of the solar project requires. Pursuant to Section II.2 of the Consent and Amendment of GL 294 (See Exhibit "C"), Lessee begins paying rent of \$120,000 from the commercial operation date of Lessee's project. As currently structured, GL 294 would thus require that Lessee start paying the full rent amount for the entire property when Phase I begins operations, despite Phase II not yet being developed. This structure will adversely impact the financing of Phase I, since Phase I will be carrying the full rental payments, thereby making it appear that Phase I will be unprofitable.

To address this issue, KHLS is proposes to prorate rent under GL 294 so that (a) rent for the property is proportional to the area of the phases in operation, and (b) rent for each phase of the project will begin on the respective COD for each phase. Phase I will use approximately 25% of the property area, and Phase II will use approximately 75% of the property area. Accordingly, under this proposal, KHLS would follow the the General Lease 294 – Rent Payment Matrix Table as cited above and referenced in its power point presentation. Lessee would begin paying approximately \$29,400/year (with annual rent escalator) + \$20,000/year (Phase II Option Payment) in rent upon the Phase I COD (representing 25% of the \$120,000/year rent) and then full amount of rent due under GL 294 (\$120,000/year) upon Phase II COD (Lessee anticipates a Phase II COD in approximately 3 years). Additionally, Lessee would be willing to back-load the rent that DHHL would otherwise have received for the Phase II lands between the Phase I and Phase II CODs, and make such payment upon Phase II COD. This proposal will allow Phase I to be financed, since Phase I will be carrying only the proportion of rent that the land area that Phase I occupies.

In summary, the CPR and rent proration will facilitate the financing and operations of both phases of the project, and allow Lessee to get an earlier COD for Phase I, thereby triggering rent payments to DHHL earlier than what would be possible if the proposals are not implemented.

RECOMMENDATION

Land Management Division respectfully request approval of the motion/action as stated.

EXHIBIT A - RECORD LEGAL DESCRIPTION

This record legal description is being filed in the office of the County Clerk of Hawaii, State of Hawaii, for the purpose of recording the same. The property is located in the County of Hawaii, State of Hawaii, and is being recorded for the purpose of recording the same. The property is located in the County of Hawaii, State of Hawaii, and is being recorded for the purpose of recording the same.

EXCEPTIONS NOTES

While the Grantor has retained in itself all of the rights and interests in the property, the Grantor has excepted from the property the following: (1) The right of the Grantor to use the property for the purpose of recording the same. (2) The right of the Grantor to use the property for the purpose of recording the same. (3) The right of the Grantor to use the property for the purpose of recording the same.

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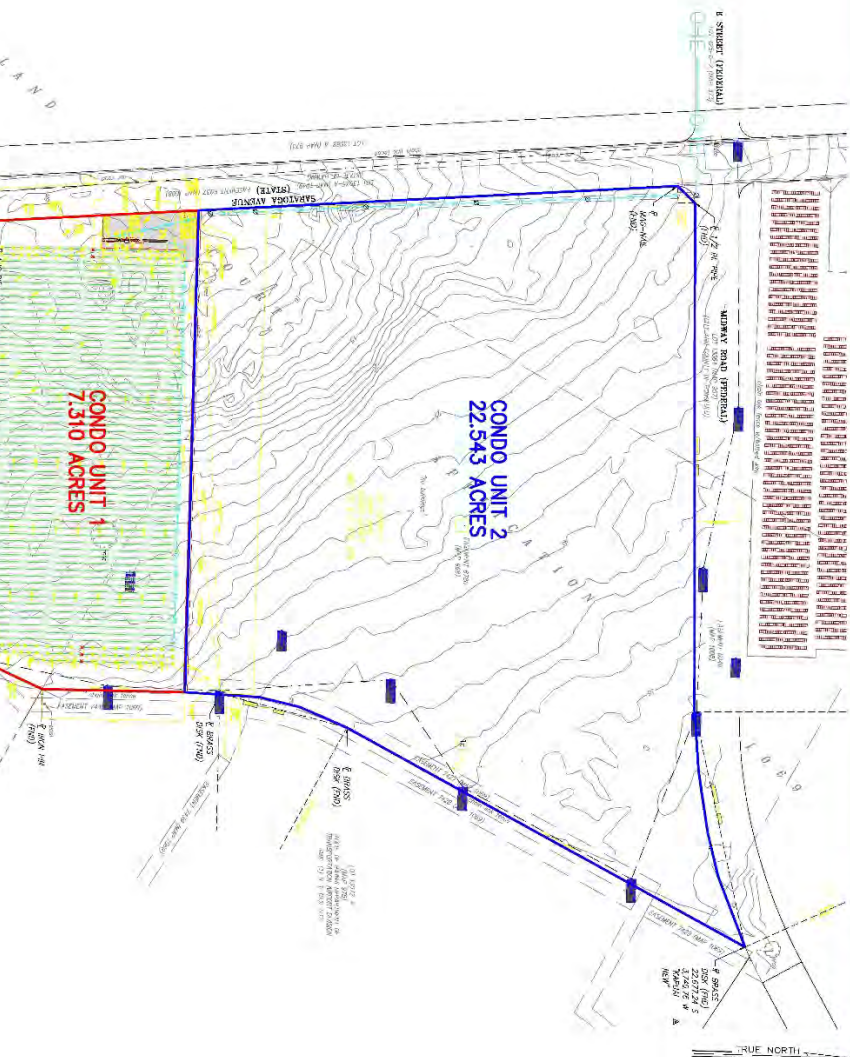
6. The right of the Grantor to use the property for the purpose of recording the same. (1) The right of the Grantor to use the property for the purpose of recording the same. (2) The right of the Grantor to use the property for the purpose of recording the same. (3) The right of the Grantor to use the property for the purpose of recording the same.

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9. The right of the Grantor to use the property for the purpose of recording the same. (1) The right of the Grantor to use the property for the purpose of recording the same. (2) The right of the Grantor to use the property for the purpose of recording the same. (3) The right of the Grantor to use the property for the purpose of recording the same.

10. The right of the Grantor to use the property for the purpose of recording the same. (1) The right of the Grantor to use the property for the purpose of recording the same. (2) The right of the Grantor to use the property for the purpose of recording the same. (3) The right of the Grantor to use the property for the purpose of recording the same.



SURVEYORS CERTIFICATE

I, the undersigned, being a duly qualified and licensed Surveyor of the State of Hawaii, do hereby certify that the foregoing is a true and correct copy of the original survey as shown to me by the owner of the property, and that the same is in accordance with the original survey as shown to me by the owner of the property, and that the same is in accordance with the original survey as shown to me by the owner of the property.

ALTA/NSPS LAND TITLE SURVEY OF KALELOA HOME LANDS SOLAR PROJECT SITE BEING LOT 13069-A (MAP 968) OF LAND COURT APPLICATION 1069 SITUATED AT HONOLULU, EWA, OAHU, HAWAII

AT & ASSOCIATES, INC.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOMELANDS
SECOND AMENDMENT TO GENERAL LEASE NO. 294

THIS SECOND AMENDMENT TO GENERAL LEASE NO. 294 (this "**Amendment**"), is made this day of _____, 20____, by and between the STATE OF HAWAII, by its DEPARTMENT OF HAWAIIAN HOME LANDS, whose principal place of business is 91-5420 Kapolei Parkway, Kapolei, Hawaii, and whose mailing address is P.O. Box 1879, Honolulu, Hawaii 96805, hereinafter "**LESSOR**," and KALAELOA HOME LANDS SOLAR, LLC, a Delaware limited liability company, hereinafter "**LESSEE**," whose mailing and business address is 1601 Wewatta Street, Suite 700, Denver, Colorado 80202, collectively the "**PARTIES**";

WITNESSETH:

WHEREAS, by that certain unrecorded General Lease No. 294 dated and effective October 1, 2011 (as amended, the "**Lease**"), LESSOR leased to LESSEE, and LESSEE leased from LESSOR, the premises located at Kalaeloa, Island of Oahu, Hawaii, Tax Map Key No. (1) 9-1-13:29, comprising 29.853 acres, more or less, as more particularly described therein (the "**Premises**");

WHEREAS, by that certain Consent and Amendment of General Lease No. 294, dated July 2, 2018 and effective June 1, 2018 (the "**First Amendment**"), LESSOR and LESSEE amended said Lease;

WHEREAS, a Memorandum of Lease dated and effective October 1, 2011, is filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document T-8037302 and noted on Certificate of Title 633,738;

WHEREAS, all terms capitalized and not otherwise defined in this Amendment shall have the respective meanings ascribed to them in the Lease;

WHEREAS, LESSEE intends to develop and operate an initial solar energy conversion project on 7.310 acres of the 29.853 total acres of the Premises (24.487% of the Premises) ("**Phase I Project**") and has entered into a Power Purchase Agreement with Hawaiian Electric Company, Inc. ("**HECO**") to supply HECO with electricity generated from the Phase I Project;

WHEREAS, LESSEE intends to develop and operate or cause the development and operation of a second solar energy conversion project on the remaining 22.543 acres of the 29.853 total acres of the Premises (75.513% of the Premises) or, after establishing a condominium property regime on the Premises, subleasing said remaining portion of the Premises to a non-affiliated third party for the purpose of the development and operation of a second solar energy conversion project (for the purpose of the Lease, as amended by this Amendment, any second solar energy project developed and operated upon said remaining portion of the Premises by any party,

including, but not limited to, LESSEE or a third-party (including a sublessee), being a "**Phase II Project**";

WHEREAS, due to the financing and operational standards and customs of the solar energy conversion industry, LESSEE finds it desirable and necessary to (i) establish a condominium property regime on the Premises to accommodate the phased development of the Premises and (ii) amend the rent payments to be made by LESSEE to LESSOR under the Lease; and

WHEREAS, LESSEE desires to provide additional community benefits that are in addition to the community benefits required under the terms of the Lease;

NOW THEREFORE, for and in consideration of the foregoing and mutual covenants, terms, and conditions hereinafter provided, the PARTIES, for and on behalf of themselves, their successors and assigns, do here by agree to amend General Lease No. 294 as follows:

- 1) Recitals: The Recitals set forth above are hereby incorporated herein as integral parts of the Lease.
- 2) Rent Payments. Delete Article Three, as amended by Sections II.1 and II.2 of the First Amendment, in its entirety and insert a new Article Three, which reads in its entirety as follows:

ARTICLE THREE **RENT**

LESSOR and LESSEE agree that LESSEE shall pay net annual rent to LESSOR at the office of the Department of Hawaiian Home Lands, Honolulu, Oahu, State of Hawaii, in legal tender of the United States of America, payable in advance, without notice or demand and without any set-off or deduction ("**rent**" or "**Rent**"), as follows:

1. Phase I Annual Base Rent. Commencing on the date that the Phase I Project commences commercial operations ("**Rent Commencement Date**"), LESSEE shall pay to LESSOR an annual base rent allocated to the Phase I Project in the amount of \$29,400.00 per annum, escalating at one percent (1%) annually from the Rent Commencement Date ("**Phase I Base Rent**").
2. Phase II Option Fee. In addition to the Phase I Base Rent, from the Rent Commencement Date and until the earlier of (i) the date that a Phase II Project commences commercial operations ("**Phase II COD**") or (ii) the expiration or termination of the Lease, LESSEE shall pay to LESSOR an annual option fee payment of \$20,000.00 per annum.
3. Phase II Premium Fee. Contingent upon the occurrence of the Phase II COD, LESSEE shall pay to LESSOR a one-time premium fee payment in the amount set forth under the "Phase II Premium Fee" column of the table attached hereto and made a part hereof by reference as **Schedule "1"** corresponding to the Rent Year (as defined in **Schedule "1"**) in which the Phase II COD occurs ("**Phase II Premium Fee**"); provided,

however, that LESSEE shall have no obligation hereunder to pay said Phase II Premium Fee in the event that the Lease expires or terminates prior to the Phase II COD.

For the avoidance of doubt, and by way of example, if the Phase II COD were to occur in Rent Year 5, the Phase II Premium Fee would be \$462,151.05.

4. Phase II Annual Base Rent. Contingent upon the occurrence of the Phase II COD, LESSEE shall, commencing on the Phase II COD, pay to LESSOR, in addition to the Phase I Base Rent, an annual base rent allocated to the Phase II Project in the amount set forth under the "Phase II Base Rent Amount" column of **Schedule "1"** corresponding to the Rent Year in which the Phase II COD occurs, per annum, escalating at one percent (1%) annually from the Phase II COD ("**Phase II Base Rent**"); provided, however, that LESSEE shall have no obligation hereunder to pay said Phase II Base Rent in the event that the Lease expires or terminates prior to the Phase II COD.

For the avoidance of doubt, and by way of example, if the Phase II COD were to occur in Rent Year 2, the Phase II Base Rent amount would be \$91,506.00 per annum, escalating at one percent (1%) annually from the Phase II COD.

- 3) Condominium Property Regime. Insert a new Article Five, Section 17, to read in its entirety as follows:

"17. Condominium Property Regime. LESSOR acknowledges that LESSEE intends to establish a condominium property regime on the Premises, in accordance with Chapter 514B of the Hawaii Revised Statutes, by filing a Declaration of Condominium Property Regime, Bylaws, and a Condominium Map (collectively, "**Condominium Documents**") in the Office of the Assistant Registrar of the Land Court of the State of Hawaii ("**Office**"). Prior to filing any of the Condominium Documents in the Office, LESSEE shall submit the Condominium Documents to LESSOR for its prior written approval, which shall not be unreasonably withheld or delayed."

- 4) Additional Community Benefits. In addition to LESSEE's investment in LESSOR's future housing program under Article One, Section 4 of the Lease and Section II.4 of the First Amendment, LESSEE shall provide the community benefits package described in **Exhibit "A"** attached hereto and made a part hereof by reference.
- 5) LESSOR and LESSEE hereby certify and agree with the other that (a) to its knowledge, no event of default by the other party under the Lease exists as of the date of this Amendment, nor has any event occurred which, with the passage of time or the giving of notice, or both, would constitute an event of default, (b) to its knowledge, the other party is not in any manner in default in the performance or observance of any obligation or duty owed to the certifying party under the Lease or otherwise, and (c) the certifying party has no defenses, offsets, claims, or counterclaims to the observe and performance by the other party of any provision of the Lease or this Amendment.

- 6) LESSOR and LESSEE hereby acknowledge that the Lease, as previously amended by this Amendment, is in full force and effect, and as hereby amended, is ratified and confirmed, provided, however, that the Lease shall not be deemed to be amended or modified except to the extent expressly amended or modified by this Amendment. In the event of any conflict between the terms and conditions of this Amendment and the Lease, this Amendment shall govern and control. Each individual executing this Amendment on behalf of an entity represents that such individual is duly authorized to execute and deliver this Amendment on behalf of such entity.
- 7) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which together constitute a fully executed agreement even though all signatories do not appear on the same document.

[The Remainder of Page is Intentionally Left Blank; Signature Page Follows.]

IN WITNESS HEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

APPROVED BY THE HHC
AT ITS MEETING HELD ON
_____, 2023

APPROVED AS TO FORM:

Deputy Attorney General
State of Hawaii

State of Hawaii
DEPARTMENT OF HAWAIIAN HOME
LANDS

By _____
Kali Watson
Chairman
Hawaiian Homes Commission

LESSOR

KALAELOA HOME LANDS SOLAR, LLC,
a Delaware limited liability company

By _____
Name: _____
Its: _____

LESSEE

STATE OF HAWAII)
)
CITY & COUNTY OF HONOLULU)

On _____, 2023, in the First Circuit, State of Hawaii, before me appeared KALI WATSON, to me personally known, who, being by me duly sworn or affirmed, did say that he is the CHAIRMAN of the HAWAIIAN HOMES COMMISSION, and the person who executed the foregoing instrument identified or described as SECOND AMENDMENT TO GENERAL LEASE NO. 294, as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

The foregoing instrument is undated, and contained _____ () pages at the time of this acknowledgment/certification.

Print Name:

Notary Public, State of Hawaii

My commission expires: _____

STATE OF HAWAII)
)
CITY & COUNTY OF HONOLULU)

On _____, 2023, in the First Circuit, State of Hawaii, before me _____, to me personally known, who, being by me duly sworn or affirmed, did say that such person is the _____ of Kalaeloa Home Lands Solar, LLC, a Delaware limited liability company, and the person executed the foregoing instrument identified or described in this SECOND AMENDMENT TO GENERAL LEASE NO. 294, as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

The foregoing instrument is undated, and contained _____ () pages at the time of this acknowledgment/certification.

Print Name:

Notary Public, State of Hawaii

My commission expires: _____

SCHEDULE "1"

PHASE II PREMIUM FEE AND PHASE II BASE RENT AMOUNTS

Rent Year*	Phase II Premium Fee	Phase II Base Rent Amount
1	\$90,600.00	\$90,600.00
2	\$182,106.00	\$91,506.00
3	\$274,527.06	\$92,421.06
4	\$367,872.33	\$93,345.27
5	\$462,151.05	\$94,278.72
6	\$557,372.56	\$95,221.51
7	\$653,546.29	\$96,173.73
8	\$750,681.75	\$97,135.46
9	\$848,788.57	\$98,106.82
10	\$947,876.46	\$99,087.89
11	\$1,047,955.22	\$100,078.76
12	\$1,149,034.77	\$101,079.55
13	\$1,251,125.12	\$102,090.35
14	\$1,354,236.37	\$103,111.25
15	\$1,458,378.74	\$104,142.36
16	\$1,563,562.52	\$105,183.79
17	\$1,669,798.15	\$106,235.63
18	\$1,777,096.13	\$107,297.98
19	\$1,885,467.09	\$108,370.96
20	\$1,994,921.76	\$109,454.67
21	\$2,105,470.98	\$110,549.22
22	\$2,217,125.69	\$111,654.71
23	\$2,329,896.95	\$112,771.26
24	\$2,443,795.92	\$113,898.97
25	\$2,558,833.87	\$115,037.96

* A "Rent Year" is a period of twelve (12) full calendar months with the first Rent Year commencing upon the Rent Commencement Date, and each subsequent sequential twelve (12) full calendar months thereafter.

END OF SCHEDULE "1"

EXHIBIT "A"

ADDITIONAL COMMUNITY BENEFITS PACKAGE

LESSEE shall provide the following community benefits:

[Insert description of community benefits package]

DRAFT

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

CONSENT AND AMENDMENT OF GENERAL LEASE NO. 294

This Consent and Amendment of Lease ("Amendment") is dated this 2nd day of July, 2018, but effective as of June 1, 2018 (hereafter the "Effective Date"), by and among the State of Hawaii, DEPARTMENT OF HAWAIIAN HOME LANDS, whose place of business is 91-5420 Kapolei Parkway, Kapolei, Hawaii, 96707, and whose mailing address is P. O. Box 1879, Honolulu, Hawaii 96805, hereafter as "LESSOR"; KALAELOA HOME LANDS SOLAR, LLC, a Delaware limited liability company, whose mailing and business address is 500 Ala Moana Boulevard, Bldg. 7, Suite 400, Honolulu, Hawaii 96813, hereafter as "LESSEE"; and ARION ENERGY, LLC, a Colorado limited liability company, whose mailing and business address is 8400 E. Crescent Parkway, Suite 600, Greenwood Village, Colorado 80111, hereafter as "ARION":

I. CONSENT

WHEREAS, SUNEDISON HOLDINGS CORPORATION, a Delaware corporation, hereafter "SUNEDISON", was the owner of 100% of the membership interests in LESSEE, under that certain General Lease No. 294 dated October 1, 2011, between LESSOR and LESSEE, hereafter "the Lease", a Memorandum of which was recorded in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. T-8037302, and noted on Transfer Certificate of Title No. 633,738, covering that certain real property at Kalaeloa, Island of Oahu, City and County of Honolulu, State of Hawaii, and further identified as Lot 13069-A, Tax Map Key No. (1) 9-1-013:029, comprising 29.853 acres, more or less, as more particularly described in Exhibit "A", hereafter the "Premises";

WHEREAS, SUNEDISON agreed to sell 100% of the membership interest in LESSEE to ARION and ARION agreed to purchase 100% of the membership interest in LESSEE from SUNEDISON pursuant to that certain Purchase and Sale Agreement dated as of November 22, 2016, as amended; and

WHEREAS, ARION has purchased the membership interests in LESSEE from SUNEDISON, which purchase triggered an assignment

based on the indirect change of control provisions of the Lease that requires the consent of LESSOR.

NOW, THEREFORE, LESSOR DOES HEREBY CONSENT to that certain unrecorded Assignment of Membership Interest made effective as of February 13, 2018 by and between SUNEDISON, as Seller, and ARION, as Purchaser, hereafter "Assignment", upon the following express conditions:

(1) This Consent shall not authorize, nor be deemed to authorize, any further or other assignment of the Lease; (2) This Consent shall not be deemed nor construed to be a waiver of any of the terms, covenants, conditions, or provisions of the Lease; all rights of the LESSOR under the Lease being hereby reserved; (3) Should there be any conflict between the provisions of the Lease and the Assignment, the provisions in the former shall control, and nothing herein shall be construed as being a waiver of any of the terms, covenants, conditions, or provisions of the Lease; and (4) That LESSEE accept in writing the LESSOR's Revised Sublease Rent Participation Policy dated April 24, 1987.

II. AMENDMENT OF LEASE

WHEREAS, LESSEE requested certain amendments to the Lease in connection with the Assignment to reflect the changes in the renewable energy market environment and the economic circumstances since the Lease was executed in 2011;

WHEREAS, LESSEE confirms that the project to be developed on the Premises will be a photovoltaic solar project; and

WHEREAS, LESSOR acknowledges and agrees with the LESSEE to the amendments.

NOW THEREFORE, for and in consideration of the foregoing and mutual covenants, terms and conditions hereinafter provided, LESSOR and LESSEE, for and on behalf of themselves, their successors and assigns, do hereby agree as follows:

1. \$75,000.00 currently held by LESSOR as LESSEE's earnest money deposit will be applied as consideration for the past extensions of the Lease. LESSEE will provide LESSOR written instructions to apply the \$75,000.00 earnest money deposit as part of the past lease rent extension fee upon

execution of this Amendment. LESSEE has also made payment of a \$60,000.00 fee, the receipt of which LESSOR acknowledges, which amount was required to be paid within thirty (30) days of approval of the Assignment by the Hawaiian Homes Commission ("HHC") as a good faith deposit for the lease rent period from October 1, 2017 to eighteen (18) months from the Effective Date of this Amendment or the commercial operation date ("COD"), whichever is sooner.

2. An annual lease rent of \$120,000.00, escalating at 1% annually from the date of COD, shall be due upon the COD. If the COD is not achieved within 18 months of the Effective Date of this Amendment, on the sooner of [insert date 18 months from Effective Date], or the commencement of construction, LESSEE agrees to make a milestone payment to LESSOR of \$120,000.00. The first Lease rent payment of \$120,000.00 will then be paid at the COD, commencing the 20-year term of escalating lease rents.
3. The term of the Lease shall be amended to twenty (20) years from the COD, to run concurrently with the Hawaiian Electric Company ("HECO") Power Purchase Agreement ("PPA"). The Chairman of the HHC shall be authorized to extend the term of the Lease term up to an additional five (5) years for good cause to be shown by Lessee or as agreed to through negotiations with ASSIGNEE.
4. One percent (1%) of the actual gross revenue of the project shall be paid annually by LESSEE to LESSOR to fund LESSOR's future housing program. In addition, should the PPA rate exceed \$0.15/kWh, fifty percent (50%) of every \$0.01 or fraction thereof above the \$0.15/kWh rate will be paid annually to DHHL.
5. LESSEE shall make payment of a one-time fee of \$42,377.54 to LESSOR and \$275.00 as processing and documentation fees for an easement license through adjacent land owned by LESSOR identified by Tax Map Key No. (1) 9-1-013:119 to an interconnection point. The easement license shall be issued and effective eighteen (18) months from the Effective Date of this Amendment or the COD, whichever is sooner, and for a term to run concurrently with the Lease, as amended herein.
6. Should LESSEE be successful in negotiating a reduction of the buyout fees from SUNEDISON, ASSIGNEE will share the

proceeds of any reductions in payments to SUNEDISON on a pro rata basis with LESSOR.

7. LESSEE shall submit evidence of insurance applicable to the leasehold premises. The insurance policies or policies to include the LESSOR as "Additional Insured" and as "certificate holder". Valid certificate(s) of insurance for the insurance policy or policies shall be issued by an insurance company qualified to do business as such in the State of Hawaii.
8. LESSEE shall submit a lease performance (surety) bond to LESSOR upon the COD, at commencement of the 20-year Lease term, and keep it in full force and effect during the first two years of the Lease for the full and faithful observance and performance by LESSEE of all the terms, covenants, and conditions of the Lease. The amount of the bond shall equal the annual rent under the Lease.
9. LESSEE shall undertake no construction or renovation until LESSOR has reviewed and approved the plans for consistency with the stated purpose of the Lease.
10. LESSEE shall comply with all federal, state and county statutes, regulations, codes and ordinances applicable to LESSEE'S use of the premises.
11. LESSEE agrees to pay for all the costs of establishing utility services to the property and pay for all consumption of utilities on the premises, should ASSIGNEE's use require such utility services.
12. LESSEE shall be responsible for the security of the premises and all of LESSEE's personal property thereon.
13. The premises are accepted in an "as is" condition.

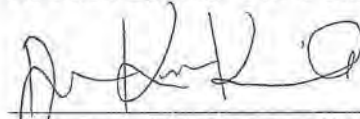
All other terms and conditions of General Lease No. 294, as amended, shall continue and remain in full force and effect.

IN WITNESS HEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first above written.

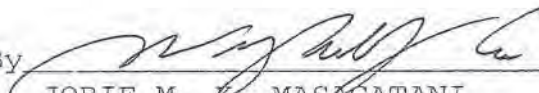
APPROVED BY THE HHC
September 19, 2017

State of Hawaii
DEPARTMENT OF HAWAIIAN HOME LANDS

APPROVED AS TO FORM:



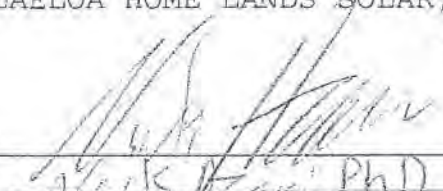
Deputy Attorney General
State of Hawaii

By 

JOBIE M. K. MASAGATANI
Chairman
Hawaiian Homes Commission

LESSOR

KALAELOA HOME LANDS SOLAR, LLC

By 

Neil K. Hara, PhD

LESSEE

STATE OF HAWAII)

) SS.

CITY & COUNTY OF HONOLULU)

On this 26th day of June, 2018, before me appeared Nasser Azari, to me personally known, who, being by me duly sworn, did say that he is the President of KALAELOA HOME LANDS SOLAR, LLC, and the person who executed the foregoing instrument and acknowledged to me that he executed the same freely and voluntarily for the use and purposes therein set forth.



Jenny K. H. Li
Notary Public, State of Hawaii

Jenny K. H. Li
Print Name of Notary Public

My commission expires: Aug 1, 2018

NOTARY CERTIFICATION STATEMENT

Document Identification or Description: Consent and
Amendment of General Lease
No. 294

Doc. Date: 6/26/18 or ☒ Undated at time of notarization.

No. of Pages: 8 Jurisdiction: 1st Circuit
(in which notarial act is performed)

Jenny K. H. Li
Signature of Notary

6/26/18
Date of Notarization and
Certification Statement

Jenny K. H. Li
Printed Name of Notary

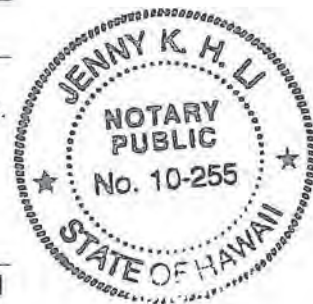


EXHIBIT "A"

All of that certain parcel of land, situate at Honouliuli, District of Ewa, City and County of Honolulu, Island of Oahu, State of Hawaii, being a portion of the former Naval Air Station, Barbers Point and more particularly described as follows:

Lot 13069-A, area 29.853, more or less, as shown on Map 968, as set forth in Land Court Order No. 135091, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1069.

Being a portion of the land described in and covered by Certificate of Title No. 633,738 issued to the Department of Hawaiian Home Lands of the State of Hawaii.

SUBJECT, HOWEVER, to the following:

1. Quitclaim Deed dated December 30, 2002, by and between the United States of America, as Grantor, and the Department of Hawaiian Home Lands of the State of Hawaii, as Grantee, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2879817.
2. Covenants and Conditions set forth and described in the Quitclaim Deed dated December 30, 2002, by and between the United States of America, as Grantor, and the Department of Hawaiian Home Lands of the State of Hawaii, as Grantee, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2879817.
3. Reservation of Easements in favor of the United States of America set forth and described in the Quitclaim Deed dated December 30, 2002, by and between the United States of America, as Grantor, and the Department of Hawaiian Home Lands of the State of Hawaii, as Grantee, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2879817.

HHC Agenda Item No. F-3, 9/19/17

- Water resources challenges for Pūlehunui lands.
- Water planning and projects for Pūlehunui
- Paukūkalo and Wai‘ehu water needs and development

K. Manuel concluded that Maui island faces significant water issues that must be addressed in order for the goals of the Maui Island Plan to be fulfilled. In a few cases, such as in parts of east Maui, the primary obstacles to achieve these goals are securing sufficient funding to provide infrastructure. Across most of the remainder of the island, however, securing water for DHHL lands will not only require sufficient funding but also assertion of the rights of the department and beneficiaries to this water, as water is subject to significant competing demands and long-running controversy and litigation on Maui.

ITEMS FOR DECISION MAKING

REGULAR AGENDA

ITEM F-3 Approval to Assignment of Lease and Amendments, and Issuance of Easement License, Kalaeloa Home Lands Solar, LLC / General Lease No. 294, Kalaeloa, Island of Oahu, Tax Map Key No. (1) 9-1-013:029

Note: Chair Masagatani announced that the Commission will not take action on Item F-3 until Tuesday's meeting, and that Commissioner Wescoatt recused himself from discussion and action on this item.

RECOMMENDED MOTION/ACTION

Acting Land Management Administrator Kahana Albinio recommended the following: That the Hawaiian Homes Commission (HHC): 1) consent to the assignment of General Lease No. 294 ("Lease") from Kalaeloa Home Lands Solar, LLC ("KHLS") to Arion Energy, LLC ("Arion") to develop a solar project on land identified by Tax Map Key No. (1) 9-1-013:029; 2) approve various amendments to the Lease; and 3) approve a license to Arion for an easement from the Premises to an interconnection point on adjacent DHHL land identified by Tax Map Key No. (1)9-1-0 13: 119.

Consent to the assignment and approval of the amendments of lease and the license easement shall be subject to the following conditions. Details of other financial terms and conditions concerning the amendment of the Lease will be disclosed and discussed in executive session.

Chair Masagatani reviewed that the action is an assignment of lease of General lease No. 294, but there are amendments to the lease that need to be discussed in executive session. She asked if this request is in anticipation of Hawaiian Electric issuing a RFP, or if there is already a power purchase agreement. K. Albinio stated there is no power purchase agreement.

Commissioner Kaapu asked if community solar will be available for beneficiaries. What is the current use of the property. K. Albinio stated there are no guarantees, but the Public Utilities Commission wants implementation of a community solar program as soon as possible. He added that the property is not being used at the moment.

Chair Masagatani asked if the parcel's proximity to the runway restricts its use in any way. DHHL Renewable Energy Consultant Carl Stalkoff stated that FAA regulations do not allow any structures higher than ten-feet in that area. The parcel is really only conducive to solar projects

below the height restriction. K. Albinio stated they already have an FAA permit to build in the easement. The permit needs to be updated yearly.

Action deferred to Tuesday.

RECESS

12:50 p.m.

RECONVENE

1:03 p.m.

MOTION/ACTION

Moved by Commissioner Chin, seconded by Commissioner Awo, to convene in executive session pursuant to Section 92-5 (a)(4), HRS. Motion carried unanimously.

EXECUTIVE SESSION IN

1:03 p.m.

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

1. Legal Issues Associated with County license request for Mahinahina and other related water issues in west Maui.

EXECUTIVE SESSION OUT

2:33 p.m.

ITEMS FOR INFORMATION/DISCUSSION

GENERAL AGENDA

**ITEM J-4 Dave Taylor – Director of the County of Maui Department of Water Supply-
Mahinahina**

D. Taylor introduced his staff members: Engineering Division Head Wendy Tauamoto, Engineer Tom Hoswive and Engineer Jason Yabuchi. As a whole the County of Maui is committed to working with DHHL. They recognize that DHHL has a unique circumstance and DWS has enjoyed the partnership where DHHL develops water and wastewater systems and DWS manages it. They recognize that they cannot take ownership of the land but also that DHHL doesn't necessarily want to manage water systems. They see the relationship as vital.

The project before the Commission today is DWS' effort to develop general water source for the west Maui area. That means DWS needs access to DHHL land. DHHL has future projects, which will need this backbone infrastructure to exist in for these projects come to fruition. They view this project as just one piece of a decades long partnership.

Chair Masagatani stated when it comes down to it, DHHL's beneficiaries are also the county's residents, therefore DHHL is willing to work collaboratively with DWS. For DHHL, Commissioners have a unique perspective unique to DHHL and its beneficiaries. As it relates to Mahinahina, the first thing to consider is the timeframe for Department of Health (DOH) resources.

W. Tauamoto stated DOH is gearing toward fiscal year 2019, which starts on July 1, 2018.

Moving Forward

- Administrative Rules
 - “Method of disposition”
 - “Terms, conditions, covenants, and restrictions as to use and occupancy”
 - Enforcement

H. Lindsey stated the department is meeting with association leaders on Saturday to discuss the rules and talk about the enforcement process the communities want, the importance and gravity of the contested case process, and cancelling leases.

Chair Masagatani asked if the department has the ability to issue fines or a graduated type of enforcement. Deputy AG Dvorch stated he will look into it.

Commissioner Awo commented that philosophically, it would be difficult to see someone lose their lease over something like an abandoned car on the street.

H. Lindsey stated once the department meets with the leaders and has the discussion the next step would be to re-evaluate the draft rules and go out to the community for consultation. This process is early in its development.

Commissioner Kaapu stated he is anxious to get the results of the discussion with the association leaders. H. Lindsey stated the department is hoping for a good turn out to get valuable feedback on how the community views the issue.

ITEMS FOR DECISION MAKING

LAND MANAGEMENT DIVISION

ITEM F-3 Approval to Assignment of Lease and Amendments, and Issuance of Easement License, Kalaeloa Home Lands Solar, LLC / General Lease No. 294, Kalaeloa, Island of Oahu, Tax Map Key No. (1) 9-1-013:029

Note: Commissioner Wescoatt is recused from the discussion and vote on the following items.

RECOMMENDED MOTION/ACTION

Acting Land Management Division Administrator Kahana Albinio presented the following: That the Hawaiian Homes Commission (HHC): 1) consent to the assignment of General Lease No. 294 ("Lease") from Kalaeloa Home Lands Solar, LLC ("KHLS") to Arion Energy, LLC ("Arion") to develop a solar project on land identified by Tax Map Key No. (1) 9-1-013:029; 2) approve various amendments to the Lease; and 3) approve a license to Arion for an easement from the Premises to an interconnection point on adjacent DHHL land identified by Tax Map Key No. (1)9-1-0 13: 119.

Chair Masagatani asked to add an item #13. To Authorize the Chair to negotiate non-substantive amendments that may be necessary to complete the transaction.

MOTION

Moved by Commissioner Richardson, seconded by Commissioner Awo to approve the motion as stated in the submittal and to add condition #13. As stated by Chair Masagatani.

Chair Masagatani confirmed that Arion agreed to the amendment that for every 1¢ increase or fraction thereof, there would be half-percent of gross revenue payment in rent to DHHL over 15¢ per kilowatt hour in the power purchase agreement. N. _____ confirmed Arion agrees to the terms.

DHHL Energy Consultant Carl Stalkoff reviewed the financial terms which will allow both partners to make a fair return on the investment. Chair Masagatani asked if the department will be able to get the same returns in the current market. C. Stalkoff stated the price index for solar energy in 2017 are around 11¢ per kilowatt hour. Given the 2017 market conditions, the agreement is a sound investment.

ACTION

Motion carried. Commissioner Wescoatt recused.

ITEM F-4 Approval for Authorization to General Lease, Kalaeloa, Island of O’ahu, TMK No. (1) 9-1-013:038

RECOMMENDED MOTION/ACTION

Acting Land Management Division Administrator Kahana Albinio presented the following:
That the Hawaiian Homes Commission authorizes the following:

1. To advertise and conduct a land disposition for a renewable energy project on Hawaiian home lands at East Kalaeloa, Island of Oahu, Tax Map Key No. (1) 9-1-013:038 pursuant to Section 171-9 5.3, HRS;
2. To set all appropriate terms and conditions, to be approved by the Chairman, Hawaiian Homes Commission, in accordance with the requirements of Chapter 171, Hawaii Revised Statutes, as amended;
3. To expend budgeted funds to conduct an appraisal report on the aforementioned parcels which are designated for non-residential commercial development, if necessary; and
4. To retain outside legal counsel, if necessary, in the lease negotiations of the final terms and conditions of the lease agreements.

MOTION

Moved by Commissioner Richardson, seconded by Commissioner Chin to approve the motion as stated in the submittal.

Commissioner Chin asked if any of the land is suitable for homesteading. K. Albinio stated the land is not suitable for homesteading and several structures are eligible for the National Register of Historic Places.

ACTION

Motion carried. Commissioner Wescoatt recused.

ITEMS FOR INFORMATION/DISCUSSION

REGULAR AGENDA


HOMESTEAD SERVICES DIVISION


ITEM D-1 HSD Status Reports

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2017

To: Chairman and Members, Hawaiian Homes Commission

Through: Peter "Kahana" Albinio, Jr., Acting Administrator
Land Management Division 

From: Allen G. Yanos, Property Development Agent
Land Management Division 

Subject: Approval to Assignment of Lease and Amendments, and Issuance of Easement License
Kalaeloa Home Lands Solar, LLC / General Lease No. 294
Kalaeloa, Island of Oahu, Tax Map Key No.: (1) 9-1-013:029

APPLICANT:

Kalaeloa Home Lands Solar, LLC

RECOMMENDED MOTION/ACTION: That the Hawaiian Homes Commission (HHC): 1) consent to the assignment of General Lease No. 294 ("Lease") from Kalaeloa Home Lands Solar, LLC ("KHLS") to Arion Energy, LLC ("Arion") to develop a solar project on land identified by Tax Map Key No. (1) 9-1-013:029; 2) approve various amendments to the Lease; and 3) approve a license to Arion for an easement from the Premises to an interconnection point on adjacent DHHL land identified by Tax Map Key No. (1) 9-1-013:119.

Consent to the assignment and approval of the amendments of Lease and the license easement shall be subject to the following conditions. Details of other financial terms and conditions concerning the amendment of the Lease will be disclosed and discussed in Executive Session.

1. Payment of a one-time fee of \$42,377.54 to DHHL and \$275.00 as processing and documentation fees for an easement license from the Premises through adjacent DHHL land identified by Tax Map Key No. (1) 9-1-013:119 to an interconnection point to be issued and effective eighteen (18) months from the execution date of the amendment of lease or the COD, whichever is sooner, and for a term to run concurrently with the Lease, as amended. The license easement previously approved by the HHC to KHLS on July 23, 2013 shall be issued to Arion instead.
2. Receipt by DHHL of fully-executed and complete copies of the Purchase and Sale Agreement, including extensions, from Arion and the Assignment of Lease prior to the preparation of the Consent to the Assignment and Amendment of Lease documents by DHHL. The Assignment of Lease to Arion, in a form satisfactory to DHHL, will be executed upon the HHC's approval of the transfer the Lease. Arion agrees to make a good faith effort to negotiate a reduction of the buyout fees from SunEdison Holdings Corporation, a subsidiary of SunEdison, Inc. ("SunEdison"). Arion will share the proceeds of any reductions in payments to SunEdison on a pro rata basis with DHHL.

September, 2017

3. Arion to submit evidence of insurance applicable to the leasehold premises. The insurance policies or policies to include the Department of Hawaiian Home Lands ("DHHL") as "Additional Insured" and as "certificate holder". Valid certificate(s) of insurance for the insurance policy or policies shall be issued by an insurance company qualified to do business as such in the State of Hawaii.
4. Arion to submit a lease performance (surety) bond upon the COD, at commencement of the 20-year lease term and keep in full force and effect during the first two years of the Lease for the full and faithful observance and performance by Arion of all of the terms, covenants, and conditions of the Lease. The amount of the bond shall equal the annual rent under the Lease.
5. Arion shall acknowledge in writing its receipt and review of DHHL's Revised Sublease Rent participation policy currently in effect.
6. Arion shall undertake no construction or renovation until DHHL has reviewed and approved the plans for consistency with the stated purpose of the Lease.
7. Arion shall comply with all federal, state and county statutes, regulations, codes and ordinances applicable to Arion's use of the premises.
8. Arion agrees to pay for all the costs of establishing utility services to the property and pay for all consumption of utilities on the premises, should Arion's use require such utility services.
9. Arion shall be responsible for the security of the premises and all of Arion's personal property thereon.
10. The premises are accepted in an "as is" condition.
11. Remit payment of \$75.00 for the assignment and amendment documentation fee, payable to DHHL.
12. Review and approval by the State of Hawaii, Department of the Attorney General.

M. Aunt Chan to neg?

PREMISES:

Hawaiian home lands situated in Kalaeloa, Island of Oahu, identified as Tax Map Key: (1) 9-1-013:029. See Exhibit "A" attached.

AREA:

29.853 acres

DISCUSSION:

On April 22, 2013, the HHC granted consent to amend the Lease for an extension of time for the lease commencement date and the lease rental payments from April 1, 2013 to August 1, 2014, for a total extension of sixteen (16) months. See Exhibit "B" attached hereto. \$130,000.00 was paid to DHHL as consideration for the extension to August 1, 2014. The reason for the extension to August 1, 2014 was to allow for completion of the interconnection study by HECO which was then expected to take three-to-five months. A review of the PPA by both HECO and the PUC would then follow which was expected to take

September, 2017

another six-to-nine months. KHLS could not proceed with the development phase of the project until the PPA was approved. The lease payments, pursuant to the terms of the Lease, would start on the lease rent commencement date or when the solar project was placed into service, whichever was earlier. No lease rent payments have been received after August 1, 2014.

As it turned out, HECO took much longer to complete the interconnection study and completed it in the latter part of 2014 moving the project timetable further back. HECO's interconnection study was expected for completion in June 2013; the PPA was expected to be executed by August, 2013; and approval of the PPA by the PUC was expected by April 2014. Construction of the project was expected to begin thirty (30) days after approval of the PPA with the anticipated commercial operation date by December 2014.

Meanwhile, SunEdison acquired a 50% ownership interest in the solar project in July, 2014 via its 50% acquisition in Silver Ridge Power, LLC which was the sole member of AES Solar Power, LLC which, in turn, was the sole member of KHLS. The remaining 50% interest in Silver Ridge Power, LLC was held by an affiliate of Riverstone Holdings, LLC. SunEdison eventually acquired the remaining 50% interest and was made responsible for proceeding with development of all the pending solar projects, including the KHLS solar project at Kalaeloa. SunEdison was also responsible for the operations and management of the KHLS solar project.

By correspondence dated October 26, 2015, SunEdison informed the Land Management Division of a further delay in developing the project and payment of lease rent, including SunEdison's plans to submit a proposal in response to HECO's Request for Proposals for projects up to 5MW to participate in a proposed CBRE program on October 1, 2015. The CBRE program would allow customers, who wish to participate, to purchase an interest in the energy from the solar facility to offset their monthly electric bills without installing solar panels on their property.

Details of the original General Lease No. 294 are as follows:

General Lessee:	Kalaeloa Home Lands Solar, LLC
Location:	Kalaeloa, Oahu
Tax Map Key No.:	(1) 9-1-013:029
Land Area:	29.853 acres
Lease Term:	20 years, with the lease effective date and rent commencement date on April 1, 2013 (by HHC action approved April 22, 2013, the lease effective and rent commencement date was extended to August 1, 2014)
Character of Use:	5MW solar project
Lease Rent:	Lease Years 1-10 \$302,760.00 per annum Lease Years 11-15 \$378,450.00 per annum Lease Years 15-20 \$425,756.00 per annum

DHHL's renewable energy consultant, SPS Energy & Financial, LLC, ("SPS Energy") reviewed KHLS' October 2015 request for rent reduction and the information submitted to justify its request. In light of HECO's solar pricing which had consistently dropped over the past several years, SPS Energy believed, at that time, that KHLS' lease rent reduction request deserved merit and should be considered. SPS Energy, however, did not comment on the appropriate lease rent reduction, leaving that to the discretion of the HHC.

SunEdison's financial condition began to deteriorate in November, 2015 and SunEdison informed DHHL via a letter dated November 3, 2015 of its intent to sell the project to a party that would be able to continue negotiations with DHHL to amend the general lease terms and payment plan. Subsequently, by letter dated March 3, 2016, SunEdison requested approval for the assignment of lease to Arion. Land Management Division conducted due diligence, consulted with SPS Energy and the Attorney General's Office, and

determined that Arion was acceptable as an assignee but requested changes to its proposed amendments and lease rent payments.

On April 21, 2016, KHLS' parent company, SunEdison, filed for Chapter 11 bankruptcy protection. A purchase and sale agreement with Arion had been executed meanwhile and did not require approval by the bankruptcy court administrator since KHLS was not named as a debtor in the bankruptcy proceedings, according to DHHL's deputy attorney general. Arion attempted to request amendments to the lease on several occasions with DHHL which were rejected until recently, on August 8, 2017, and supplemented by Arion's letter dated September 5, 2017 when the updated terms and conditions for the assignment and amendments to the Lease adequately addressed SPS Energy's and the Land Management Division's concerns. Those terms and conditions have been incorporated into this request for favorable consideration by the HHC.

The HHC approved a license to KHLS on July 23, 2013 for a utility easement to transmit electricity from the solar project through adjacent DHHL land, Tax Map Key (1) 9-1-013:119, to an interconnection point requested by HECO as evidenced in Exhibit "C" attached hereto. The license easement approved by the HHC to KHLS will be issued to Arion instead. It will be processed upon HHC approval of the assignment and shall run concurrently with the term of the Lease, as amended.

Arion currently has sufficient financial resources and the partners to take over the solar project from KHLS and continue its development as the Lessee. By taking over the development of the solar project, Arion will have an advantage over other companies that may have to start from the beginning. The solar project will begin generating revenue sooner than later if the Lease were terminated and another Lessee were to initiate development of another solar project all over again.

The following are additional reasons why the HHC should approve the assignment of lease, the proposed amendments to the Lease, and revised structure of payments for Arion:

- Extensive development work has already been accomplished over the past six years in order to facilitate the sale of power from the solar project to HECO. Arion is acquiring development assets including the geotechnical studies, interconnection study, survey work, biological survey work, Federal Aviation Administration ("FAA") study and other physical and electrical design work.
- A CBRE program is contemplated for launch by HECO for which Arion intends to offer the solar project. Another developer having to start from the beginning would not be in a position to timely bid for that solicitation for a community solar project.
- There is currently lack of access to water, sewer, and other infrastructure in the area.
- Use of the Premises is severely restricted due to the 10-foot height restriction (above ground level) imposed by the FAA since the parcel is in the extended runway area of Kalaeloa Airport.¹
- The FAA prohibits use of the Premises for residences or public assembly including schools, churches, office buildings, shopping centers, and for fuel storage facility or parking facility that would create glint or glare or anything that would attract wildlife.²

¹ Letter issued to KHLS November 30, 2012 by the Federal Aviation Administration, Southwest Regional Office, Obstruction Evaluation Group. Aeronautical Study No. 2012-AWP-81290E

² Final Environmental Assessment, Kalaeloa Home Lands Solar, LLC 5.0 Photovoltaic Park, Kalaeloa, Oahu, Hawaii, TMK #9-1-013:029, by North Shore Consultants, LLC, Haleiwa, Hawaii, August, 2012.

- An appraisal of the Premises dated July 15, 2016 and issued by Appraisal Hawaii, Inc. for DHHL noted that 15.5 acres of the 29.853-acre parcel is within Kalaeloa Airport's Runway Protection Zone, leaving only 14.353 acres for their "highest and best use" as "a base yard, manufacturing, processing and light packaging; repair establishments; and wholesale distribution property uses." Also, according to the appraisal, a solar project may also satisfy the highest and best use requirements of the Premises.¹
- Any developer pursuing solar energy on the Premises would still need to renegotiate the lease terms with DHHL to make the project financially feasible.

As a result of the delays and market changes since the original Lease was executed and due to the reduced PPA rates that HECO has been paying for solar energy over the past several years, a reduction in the lease rents is being requested. The reasons for requesting the reduction in the lease rent will be discussed in Executive Session.

The solar project, when built, will generate revenue for DHHL, be another significant contribution to the Hawaii Clean Energy Initiative, and demonstrate DHHL's commitment to its *Ho'omaluo* energy policy by: 1) facilitating the use of diverse renewable energy resources; and 2) providing energy efficiency, self-sufficiency, and sustainability opportunities to existing homesteaders and their communities.

Time is of the essence for SunEdison to consummate the sale of this project and assign the lease from KHLS to Arion. Due to the expiration of SunEdison's purchase and sale agreement which expires on November 1, 2017, Land Management Division respectfully requests that a decision on the assignment to Arion, amendments to the lease, and the easement license be made at the HHC September meeting in Lahaina, Maui, and without any further delay.

PLANNING AREA:

Honouliuli Ahupua'a – Kalaeloa, Oahu

LAND USE DESIGNATION:

Industrial, Oahu Island Plan (2014)

CURRENT STATUS:

Overgrown vacant parcel at the end of the Kalaeloa Airport runway. The land has no infrastructure and is subject to limited use by the FAA.

CHARACTER OF USE:

3 to 5 MW Solar Project contemplated for participation under a CBRE program, in phases.

¹ Appraisal Report of the Former NAS Barbers Point Parcel 29, by Appraisal Hawaii Inc., Honolulu, Hawaii, July 15, 2016.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

A Final Environmental Assessment for a 5MW solar project was issued in August 2012 with a determination that the solar project was not expected to result in significant adverse environmental impacts and that a Finding of No Significant Impacts was appropriate. The same finding is anticipated for the updated solar project.

CONSISTENCY WITH DHHL PLANS, POLICIES AND PROGRAMS

Oahu Island Plan (2014)

A solar project on the site is consistent with the following elements of the Oahu Island Plan:

The site is designated for industrial use and is among 110 acres being utilized for energy production and for longer-term dispositions for revenue generation, Honouliuli Ahupua'a, Section 5.1.3.4, Page 5-11 and Figure 5.5, Honouliuli Ahupua'a-Kalaeloa Land Use Designations, Page 5-14.

DHHL Ho'omaluo Energy Policy (2009)

As pointed out previously, the solar project will help achieve two objectives of DHHL's energy policy:

1. Facilitate the use of diverse renewal energy resources, by:
 - identifying properties in DHHL's land inventory that have potential for renewable energy projects
 - pursuing the leasing of those lands that are identified as suitable for renewable energy projects.
 - Seeking partnerships for the development of renewal energy resources
2. Provide energy efficiency, self-sufficiency, and sustainability opportunities to existing homesteaders and their communities by:
 - Assisting homestead communities to achieve potential energy self-sufficiency by identifying properties near existing homesteads that could be utilized for community renewable energy projects that could also generate revenue for their respective regional plan projects

AUTHORITY

Under authority granted by Section 10-2-16(c)(4) of the DHHL Administrative Rules, the Chairman can grant consent to assignments, subleases, mortgages and approve construction plans. The Chairman is obligated, under Section 10-2-17, to report to the commission for ratification of any actions taken as permitted under Section 10-2-16. The Lessee's right to assign the demised premises, with written approval of the HHC, is also allowed under the Lease, subject to the provisions of Section 171-36, Hawaii Revised Statutes.

Section 207(c)(1)(A) of the Hawaiian Homes Commission Act, 1920, as amended, authorizes the issuance of licenses as easements for railroads, telephone lines, electric power and light lines, gas mains and the like.

Section 10-4-22 of the DHHL Administrative Rules authorizes the issuance of license as easements in perpetuity or for a shorter term subject to revert to DHHL upon termination or abandonment.

RECOMMENDATION:

Land Management Division requests approval of the motion as stated.



Google earth

miles 1
km 1





THE PREMISES - TMK 1st/9-1-013:029

Exhibit "A"

Item No. F-3

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

April 22, 2013

To: Chairman and Members, Hawaiian Homes Commission
Thru: Linda Chinn, Administrator
Land Management Division 
From: Carolyn Darr, Land Agent
Land Management Division 
Subject: Amendment to General Lease No. 294, Kalaeloa Home Lands
Solar, LLC, Kalaeloa, Oahu

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) grant its consent to an amendment to General Lease No. 294, demised to Kalaeloa Home Lands Solar, LLC, (KHLS), for the development of a solar project at Kalaeloa, island of Oahu, for an extension of time for lease and rent commencement from April 1, 2013 to August 1, 2014, a total extension of sixteen (16) months.

The consent granted shall be subject to the following:

- 1) Lessee shall pay a one-time fee of \$130,000.00 as payment to the department for the impact attributed to Lessee's delays in placing this solar facility into service;
- 2) Upon approval of the Hawaiian Homes Commission, the Chairman shall be authorized to issue the lease amendment and to set forth any additional terms and conditions deemed necessary.
- 3) Lessee shall pay a non-refundable processing and documentation fee totaling \$275.00 for the processing of this request;
- 4) All documents related to this request shall be subject to the review and approval by the Department of the Attorney General.
- 5) Except as changed or modified in the amendment document, all other terms and conditions of General Lease No. 294 shall continue and remain in full force and effect.

Exhibit "B

Item No. F-3

ITEM NO. F-1

DISCUSSION

On June 22, 2010, the Hawaiian Homes Commission authorized the issuance of a general lease to Kalaeloa Home Lands Solar, LLC (KHLS) for the use of approximately 29.853 unencumbered acres of Hawaiian home lands in Kalaeloa, Oahu. The lease was executed on October 1, 2011 for the development, operation, management, and maintenance of a solar power production facility.

The following is pertinent information regarding General Lease No. 294:

General Lessee:	Kalaeloa Home Lands Solar, a limited liability corporation
Location:	Kalaeloa, Oahu
Tax Map Key No:	(1) 9-1-13:029 (Exhibit "A")
Land Area:	29.853 acres, more or less
Lease Term:	20 years; with effective date and rent commencement date at commercial operation or April 1, 2013, whichever is sooner
Character of Use:	4.5MW solar power production facility
Lease Rent:	Lease Years 1 - 10 \$302,760.00 per annum Lease Years 11 - 15 \$378,450.00 per annum Lease Years 15 - 20 \$425,756.00 per annum

Extension of Commencement Date

Patricia L. Rollin, Vice President of KHLS, through a letter dated February 14, 2013 (See Exhibit "B") has requested an extension of time to the commencement date of the lease.

KHLS is asking for this necessary extension since the comprehensive interconnection study process is moving slowly. KHLS has a contract in place with Hawaiian Electric Company (HECO) to do the study and is moving forward. HECO has stated that it will take them another three to five months to complete this interconnect study.

Once the study is complete, the review of the Power Purchase Agreement (PPA) with HECO will start. The review of the PPA by Hawaii Public Utility Commission will realistically take another six to nine months to review and approve the PPA.

KHLS is not able to move forward with the development phase of the project until the PPA is approved. Per the terms of the General Lease, the lease payments will commence once the solar system is placed into service.

KHLS has shown its commitment to this project by its completion of extensive studies and activities for this project since lease execution:

- Completed a Phase 1 Environmental Assessment
- Completed an Archaeological Inventory Study
- Completed the Environmental Assessment which received a FONSI from the Hawaiian Homes Commission in August, 2012
- Received approval from the FAA to develop the solar project on this site
- Completed a site boundary and topographical survey
- Executed an interconnection studies agreement with HECO.
- Completed Geotechnical Studies
- Installed a meteorological station on site to monitor solar radiance and weather conditions
- Purchased a substantial amount of solar panels that are stored in warehouse now

The major tasks remaining to be completed prior to construction include, but not limited to the following:

- HECO to complete the Interconnection Requirement Studies (expected in June 2013)
- Execute the Power Purchase Agreement (PPA) with HECO (expected in August 2013)
- PUC to review and approve the PPA (expected by April 2014)
- Construction to commence 30 days after the PPA is approved
- Commercial Operation Date (expected by December 2014)

KHLS is in good standing with the State of Hawaii and has not had any disposition of state lands terminated due to non-compliance with the terms and conditions.

RECOMMENDATION

Land Management Division requests approval of the recommended motion as stated.

FILE Y:\2012\12-107\SURVEY\DEVELOPES KALAELOA SOLAR EXHIBIT.DWG
JOB NO.: 12-107

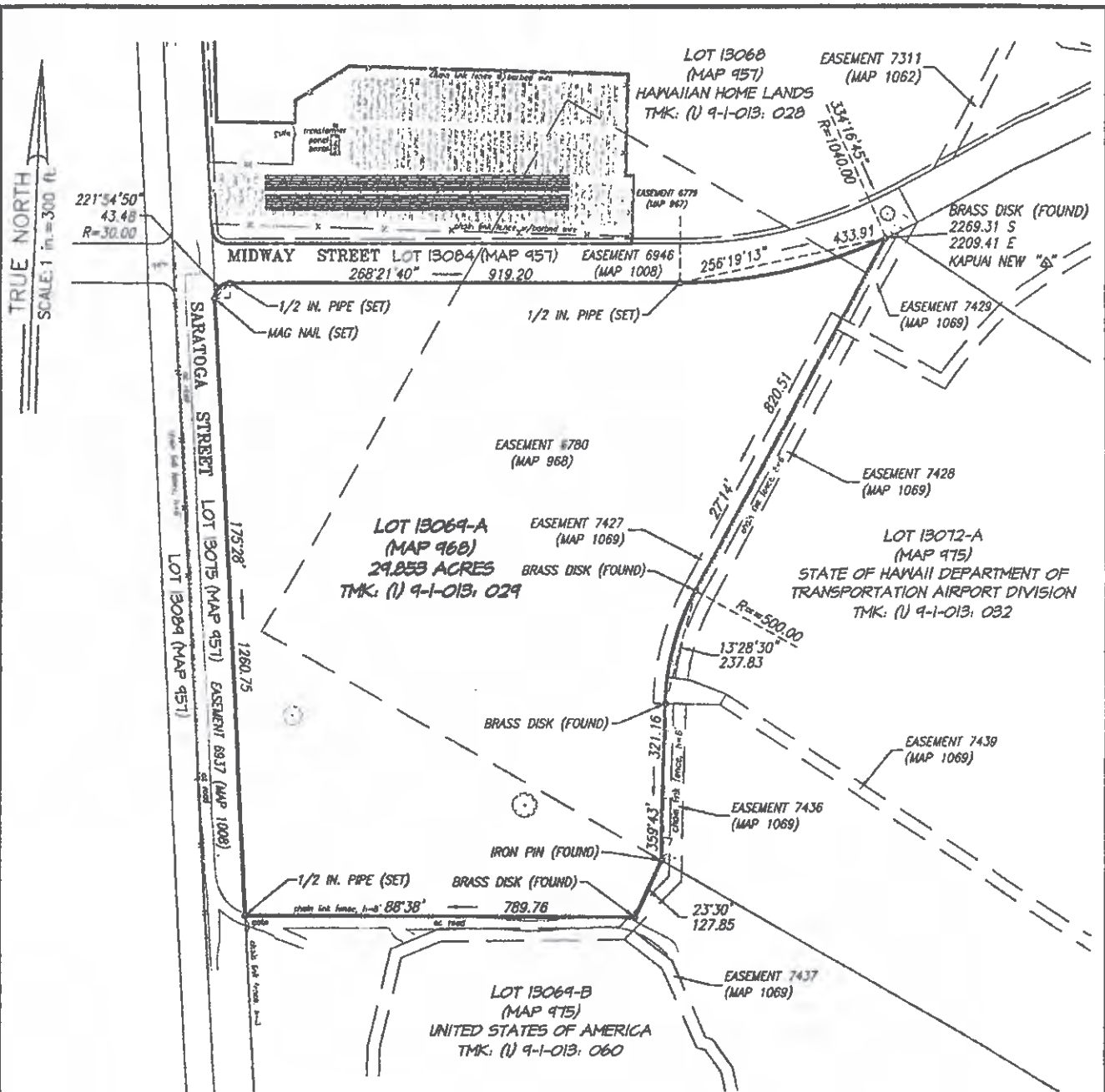


EXHIBIT MAP
OF PROPOSED KALAELOA HOME LANDS SOLAR SITE
 BEING ALL OF LOT 13069-A (MAP 968)
 LAND COURT APPLICATION 1069
 SITUATED AT HONOLULU, EWA, OAHU, HAWAII
 TMK: (1) 9-1-013: 029

ITEM NO. F-1

EXHIBIT "A"

ITEM NO. F-1

DECEMBER 28, 2012

ATA AUSTIN, TSUTSUMI & ASSOCIATES, INC.
 ENGINEERS, SURVEYORS • HONOLULU, WAILUKU, HAWAII

8.5" X 11" = 0.65 SQ. FT.



AES Solar Energy, Ltd.
901 North Stuart Street
Suite 810
Arlington, VA 22203
tel 1 (703) 682 6603
fax 1 (703) 682 1157
www.aes-solar.com

February 14, 2013

Department of Hawaiian Homelands
91-5420 Kapolei Parkway
Kapolei, HI 96707
Attn: Land Management Division
Linda Chinn

Department of the Attorney General
425 Queen Street
Honolulu, Hawaii 96813
Attn: AG PSHH

Re: General Lease No. 294 between the Department of Hawaiian Homelands ("DHHL") and
Kalaeloa Home Lands Solar, LLC ("KHLS"), dated October 1, 2011

KHLS respectfully requests an extension of the date set forth in the Lease by which KHLS is to execute a Power Purchase Agreement and certain other clarifications detailed below. We attach a proposed form of amendment for your review and comment.

Although the process has taken longer than originally anticipated, AES Solar Power, LLC continues to devote substantial resources to the development of the 4.5 MW solar project planned for this site. We are one of several projects that have been delayed and ask for DHHL's cooperation in adjusting the Lease to address these schedule changes.

The Power Purchase Agreement with Hawaiian Electric Company ("HECO") can't be finalized until the comprehensive interconnection study is complete. This process continues to move slowly as certain changes in HECO's technical requirements necessitated a design revision. We have a contract in place with HECO to complete the study and expect it to move forward in the next few weeks. According to HECO, it will likely take three to five months to complete the study. We are encouraging HECO to negotiate the final PPA terms with us simultaneously. Regardless, once signed, the process for the Hawaii Public Service Commission to approve the PPA will realistically take six to nine months. KHLS will be prepared to commence construction as soon as the PUC approval is considered final. Based on the foregoing, we ask that "Rent Commencement Date" set forth in the opening paragraph of Article Three be extended to August 1, 2014 as reflected in paragraph (i) of the attached amendment.

ITEM NO. F-1

EXHIBIT "B"

We understand that in the lease agreement executed recently by DHHL for the adjacent solar property, the lessee was allowed to commence paying rent upon reaching commercial operation. We are not asking DHHL to match this term. However, we are requesting some relief from KHLS's current liability for property taxes that were triggered because of the opening language in the lease referencing the "effective date" in light of the substantial delays that KHLS has experienced. Please see paragraph (ii) and (ii) of the attached. In addition, in order to preserve the ability of KHLS to finance this project, KHLS also proposes that any other improvements to the material terms of the Lease which are made available to other power projects be added to the Lease automatically. Please understand that KHLS accepted terms in the Lease which traditionally a lender would reject in a financing in deference to DHHL's long-standing practices. If future projects receive better terms, no lender will accept the argument that the terms of our Lease consistently reflect local practice. Please see paragraph (iv) of the attached.

In addition to the above, we are concerned that the language in the opening paragraph of the Lease has created confusion as to the effective date. We would also like to clarify KHLS' right to remove equipment at the end of the Lease term in certain circumstances. Finally, we need to update the notice address for KHLS. Please see paragraphs (v) thru (vii) of the attached amendment.

AES Solar Power has invested heavily in this project to date as reflected below in the list of KHLS' various commitments and development progress. These efforts have been undertaken in good faith despite the uncertainty surrounding the PPA negotiations and in recognition of DHHL's commitment under the Lease. We will continue to move development forward as quickly as we can.

- Completed a Phase 1 Environmental Assessment
- Completed an archaeological study
- Completed the Environmental Impact Statement which received a FONSI from DHHL in August, 2012.
- Received approval from the FAA for building on this site. Extended approval received in November, 2012.
- Conducted a site boundary and topographical survey in January, 2013.
- Conducted a survey outlining a ROW and underground utility route for interconnection to the utility in January, 2013.
- Negotiated with the County of Hawaii for reasonable and fair property tax assessment.
- Purchased a substantial amount of solar panels that have been warehoused on Oahu for a year.
- Executed an interconnection studies agreement with HECO. We are told HECO's designated subcontractor will commence work on the study this month.
- Completed substantial redesign in order to comply with new HECO requirements.
- Completed Geotechnical Studies in February, 2012.
- Installed a meteorological station on site to monitor solar radiance and weather conditions.

The major development tasks remaining to be completed are outlined below.

- HECO to complete Interconnection Requirements Study (expected approximately June, 2013)
- Negotiate Utility ROW and easement with both DHHL and KHS lease holders. (expected approximately June, 2013)
- Execute PPA with HECO; HECO to submit to PUC (expected approximately August, 2013)
- PUC Review Period (expected approximately April, 2014)
- EPC Contract Negotiations (during PUC approval process)
- County building permits (during PUC approval process)
- Start construction 30 days after PUC approval is issued (expected approximately May, 2014)
- Commercial Operation Date (expected approximately December, 2014)

AES Solar Power remains committed to getting this project to construction completion. We hope we will have the support of DHHL and HECO. Unfortunately, KHLS will have no choice but to terminate the Lease and abandon the project if we are not able to agree on an extension. We are glad to participate in whatever process is required to obtain the approval of the DHHL board. Thank you for your time and attention.

Sincerely,



Patricia L. Rollin
Vice President
Kalaeloa Home Lands Solar, LLC

Attachment


cc: Carolyn I. Darr, Land Management Division
Jody Allione, Hawaii Project Development AES Solar


STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

July 22-23, 2013

To: Chairman and Members, Hawaiian Homes Commission

Thru: Linda Chinn, Administrator
Land Management Division 

From: Carolyn Darr, Land Agent 
Land Management Division

Subject: Issuance of License as Easement, Kalaeloa Home Lands
Solar, LLC, Kalaeloa, Oahu

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) grant approval to the issuance of a non-exclusive license as easement to Kalaeloa Home Lands Solar, LLC, (KHLS), as Licensee, for the right, privilege and authority to construct, use, maintain and repair a 13,825 square foot right-of-way under and across Hawaiian home lands at TMK: (1) 9-1-013:028 (Portion), Kalaeloa, Oahu, Hawaii for utility purposes (Exhibit "A").

The consent granted shall be subject to the following:

- 1) The purpose of the easement is for utility purposes;
- 2) The term of the License is twenty (20) years and two (2) months, effective August 1, 2013 and ending September 30, 2033;
- 3) The one time fee for the easement is \$42,377.54;
- 4) The Licensee shall be required to maintain the easement in a neat and clean condition at Licensee's own expense and shall not use the easement area for parking, storing, stockpiling or dumping any material, equipment or vehicles of any kind;
- 5) Lessee shall pay a non-refundable processing and documentation fee totaling \$275.00 for the processing of this request;

Exhibit "C"

ITEM NO. F-6

Item No. F-3

6) Licensee shall submit for approval all plans and specifications for any improvements, modifications, alterations, or additions constructed on the land, to include, clearing grading, grubbing, and building construction of any kind;

7) Licensee, at its own expense, has completed the requirement to obtain a metes and bounds survey of the proposed easement area; and

8) All documents related to this request shall be subject to the review and approval by the Department of the Attorney General.

DISCUSSION

On June 22, 2010, the Hawaiian Homes Commission authorized the issuance of a general lease to Kalaeloa Home Lands Solar, LLC (KHLS) for the use of approximately 29.853 unencumbered acres of Hawaiian home lands in Kalaeloa, Oahu. The lease was executed on October 1, 2011 for the development, operation, management, and maintenance of a solar power production facility.

The following is pertinent information regarding General Lease No. 294:

General Lessee:	Kalaeloa Home Lands Solar, a limited liability corporation
Location:	Portion of Government Lands of Kapolei situated at Kalaeloa, Oahu
Tax Map Key No:	(1) 9-1-13:029 (Exhibit "B")
Land Area:	29.853 acres, more or less
Lease Term:	October 1, 2011 -September 30, 2033
Character of Use:	Converting Solar Energy into Electrical Energy
Lease Rent:	Lease Years 1 - 10 \$302,760.00 per annum Lease Years 11 - 15 \$378,450.00 per annum Lease Years 15 - 20 \$425,756.00 per annum

Request for License as Easement

The parcel of Hawaiian home lands under lease to KHLS is adjacent to the department's General Lease No. 293 issued to Kalaeloa Solar One, LLC's (KS1), 5MW solar project. KS1 is interconnected to the Hawaiian Electric Company (HECO) grid on the north side of their leased parcel where they have constructed a substation to interconnect to Hawaiian Electric Company.

Hawaiian Electric Company has requested KHLS interconnect at the same Point of Interconnection as KS1. This request by Hawaiian Electric Company has necessitated the request by KHLS for an easement over Hawaiian home lands along side the KS1 boundary in order to run their underground cable to the Point of Interconnection. The easement will be used for transmission of electricity generated at the KHLS project to the Point of Interconnection. The total area of the easement requested, per the survey completed by KHLS, is 13,825 square feet (Exhibit "B").

AUTHORITY

207(c)(1)(A) of the Hawaiian Homes Commission act, 1920, as amended, states that: "the department is authorized to grant licenses as easements for railroads, telephone lines, electric power and light lines, gas mains, and the like."

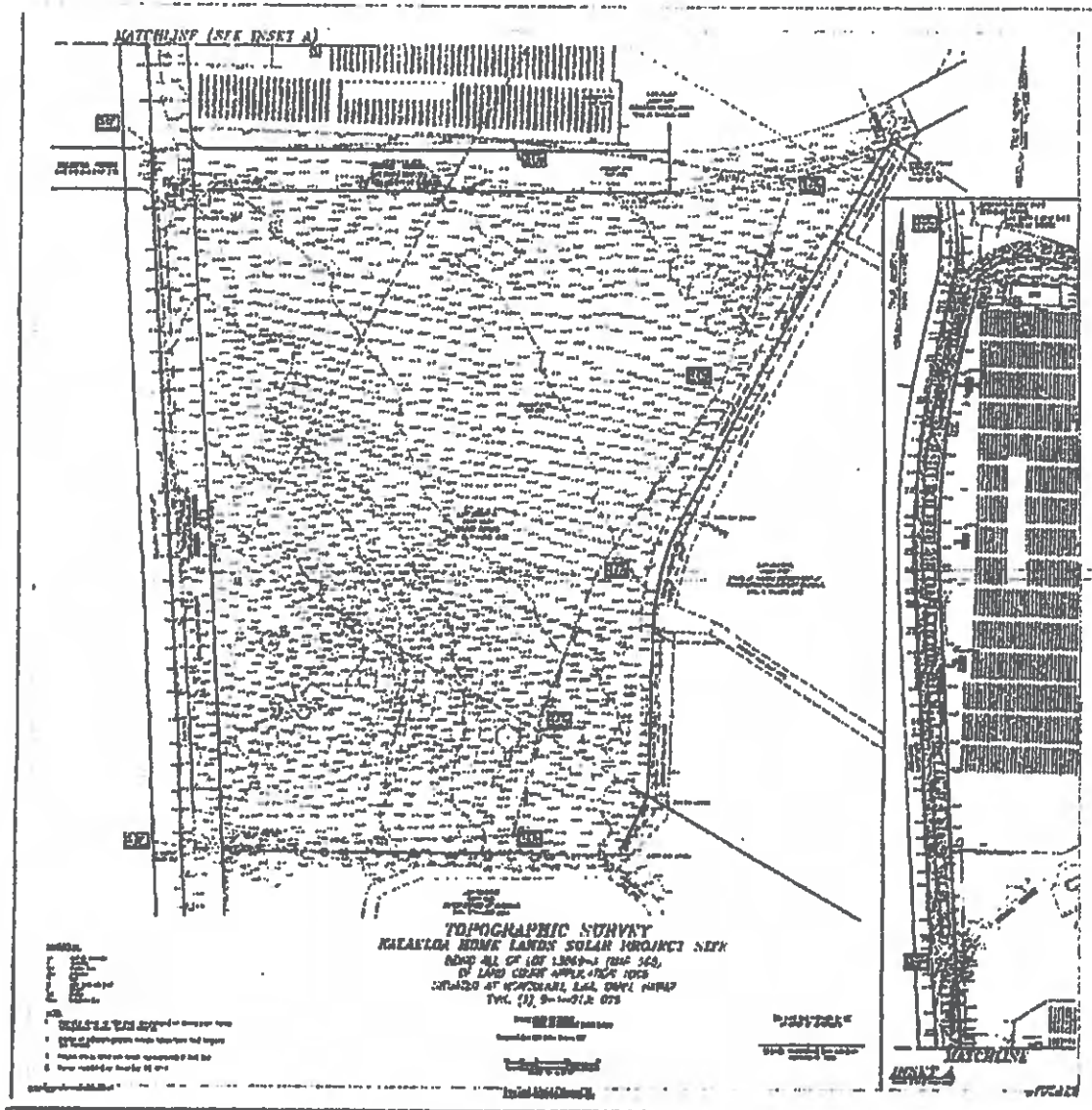
10-4-21 of the DHHL Administrative Rules requires that the applicant pay for all costs incurred by DHHL for the processing of a license application, including a non-refundable processing fee of \$200 and also allows for fees to be charged should the use benefit other than the department or native Hawaiian.

10-4-22 of the DHHL Administrative Rules authorizes the issuance of license as easements in perpetuity or shorter term subject to reverter to the department upon termination or abandonment.

KHLS is a Lessee in good standing with the department.

RECOMMENDATION

Land Management Division requests approval of the recommended motion as stated.



Survey of Kalaeloa Home Lands Solar site. ROW shown in the inset on the right.

EXHIBIT "A"

Item No. F-6

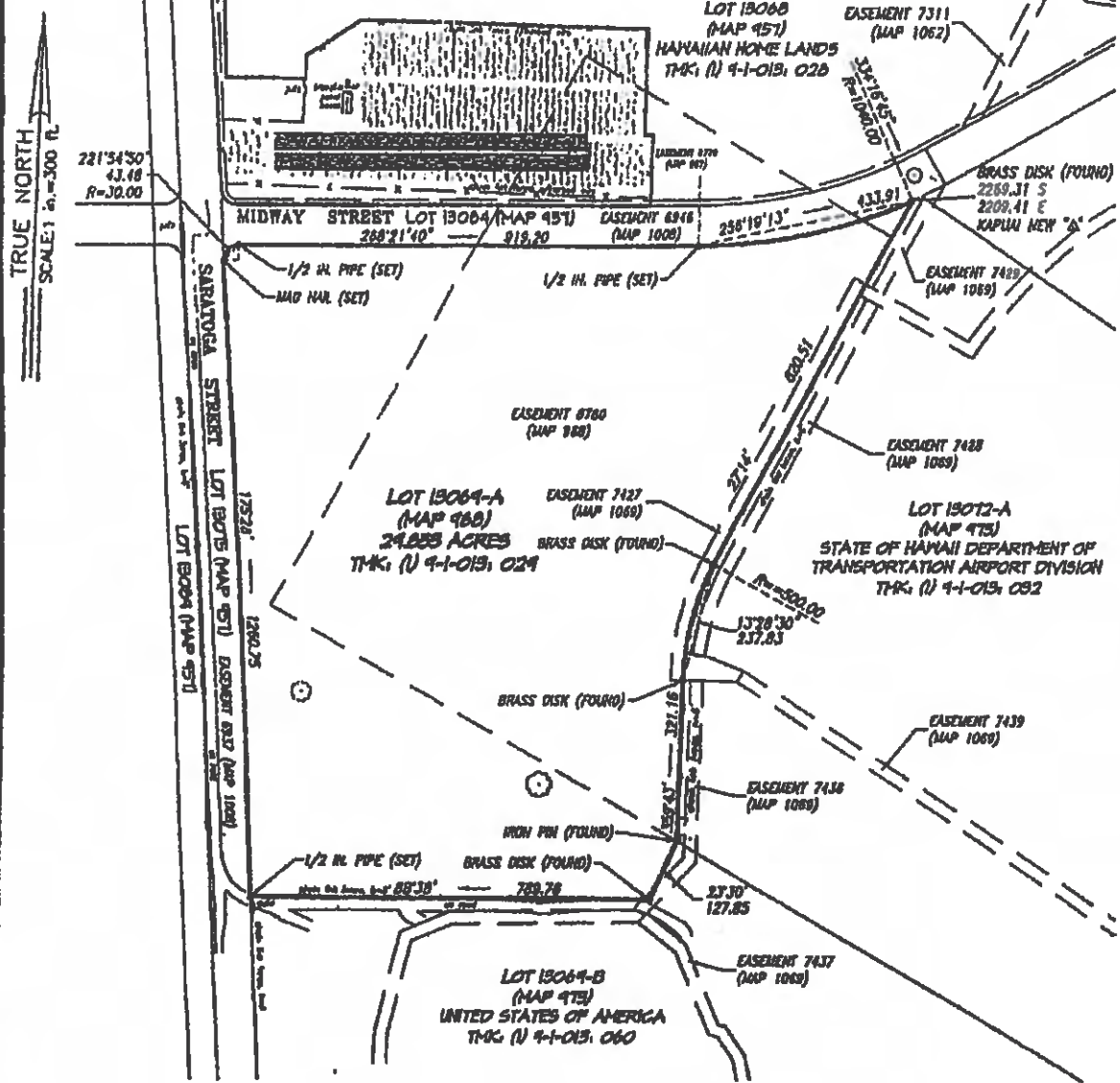


EXHIBIT MAP
OF PROPOSED KALAELOA HOME LANDS SOLAR SITE
 BEING ALL OF LOT 13069-A (MAP 968)
 LAND COURT APPLICATION 1069
 SITUATED AT HONOLULU, EWA, OAHU, HAWAII
 TMK: (1) 9-1-013: 029

DECEMBER 28, 2012

ATA AUSTIN, TSUTSUMI & ASSOCIATES, INC.
 ENGINEERS, SURVEYORS • HONOLULU, WAHAILOA, HAWAII

8.5" X 11" = 0.65 SQ. FT.

EXHIBIT "B"
 Item No. F-6

FILE: Y:\12-107\SURVEY\DESIGN\KALAELOA SOLAR EXHIBIT.DWG
 JOB NO.: 12-107



Pivot Energy

GENERAL LEASE 294:
KALAELOA HOME LANDS SOLAR LLC
Clean Energy. Clear Choice.

GENERAL LEASE 294 - GOAL OF PRESENTATION

Kalaeloa Home Lands Solar, LLC, Lessee of General Lease 294, will be presenting the following proposals:

1. Condominium Property Regime Proposal
2. Rent Proration and Term Proposal

GENERAL LEASE 294 - BACKGROUND

October 1, 2011: Lease entered into between DHHL and Kalaeloa Home Lands Solar, LLC (“KHLS”), originally owned by AES Corporation.

April 22, 2013: HHC approved AES’ request for amendment to GL 294, extending the commencement date to August 1, 2014.

October 26, 2015: SunEdison (as new owner of KHLS) provides letter describing development milestone status and requests an extension of the land lease.

September 18-19, 2017: HHC approves request to assign GL 294 to Arion Energy.

February 13, 2018: Membership interests are assigned from SunEdison Holdings to Arion Energy.

June 1, 2018: Lease transfer to Arion Energy was memorialized in a Restated Lease. Arion Energy structured the solar projects into two Phases, informing our Proposals today.

April 18, 2022: KHLS was acquired by Pivot Energy Development LLC.

September 18, 2023: KHLS has completed nearly all development milestones, and construction has begun. We anticipate construction will be completed in December 2023.



WHO IS PIVOT ENERGY?



Pivot Energy is a national leader in the development of onsite and small utility solar projects, including community solar. The company has successfully completed more than 830 solar and energy storage projects nationwide.

Pivot Energy manages and operates community solar projects across the country, including customer acquisition, financing, and operations and maintenance.

Pivot Energy is a certified B Corporation and evaluates internal decisions on environmental, social, and governance (ESG) factors. Its headquarters is in Colorado.

PIVOT ENERGY IS A CERTIFIED B CORPORATION

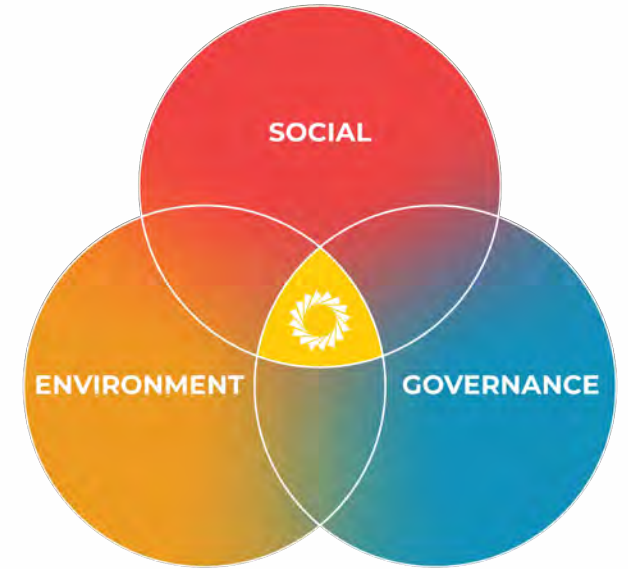
- Pivot Energy is a Certified B Corporation that proudly follows a corporate strategy aimed at providing a positive impact on society as measured by Environmental stewardship, Social leadership, and responsible Governance (ESG) factors
- We evaluate internal decisions on ESG factors to determine if our actions will result in a net positive impact on the community, our employees, customers, shareholders, and the environment.
- We are fiercely dedicated to accelerating the rapid transition taking place in the energy industry to a more decentralized and cleaner approach to power generation

Certified



Corporation™

- Pivot is a B Corp. B is for Benefit, and B Corps are redefining success in business to include benefits to workers, society, and the environment
- Certified by B Lab to meet rigorous standards of social and environmental performance, accountability, & ethics



Our B-Corp status and ESG commitments are key components of our operations and contribute to our award-winning company culture.

KALAELOA HOME LANDS SOLAR LLC

Address: Malakole St, Kalaeloa, O'ahu, Hawai'i

Coordinates: 21.310541°, -158.085878°

Parcel ID: TMK 9-1-013:029

KHLS Phase I

- Capacity: 1.72 MWac / 2.53 MWdc
- Area: 7.31 acres

KHLS Phase II

- Capacity: 5 MWac / 6.75 MWdc
- Area: 22.54 acres



PHASES STATUS & TIMELINE

Phase I:

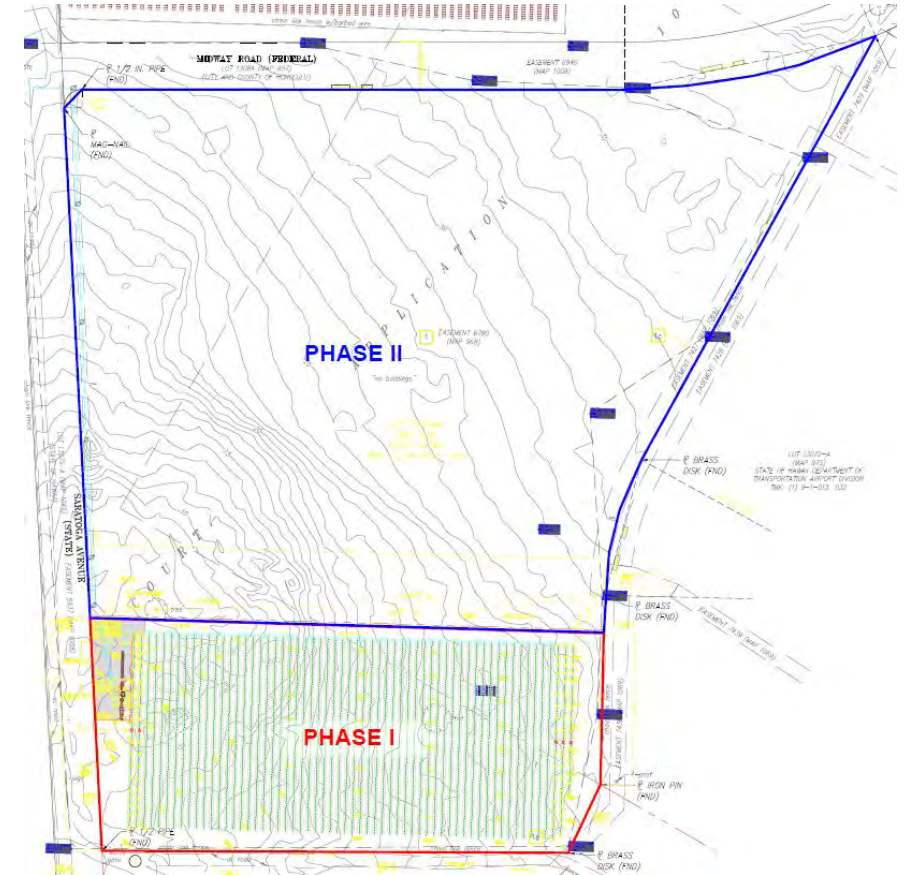
KHLS Phase I has completed its fence installation and is beginning pile driving. Construction of the generation facility (PV Plant) is anticipated to be completed in December 2023. The interconnection run is anticipated to be completed in early Q1 2024. HECO will then complete their electric tests, and Phase I will reach commercial operation in or around March 2024.

Phase II:

KHLS Phase II is in late-stage development with its phased development already approved by the HDCA. The Solar Project will be submitted to HECO in their upcoming Community-Based Renewable Energy (“CBRE”) Phase II Tranche II Request for Proposals.

Phase II Tentative Schedule

Phase II Tentative Schedule	
Q4 2023 - Q1 2024	Phase II Tranche II Solicitation
Q2 2024 - Q2 2025	<ul style="list-style-type: none">Interconnection Studies and AgreementRemaining financing preparation
Q3 2024 - Q3 2025	<ul style="list-style-type: none">Apply for and receive Building Permits
Q2 2025 - Q4 2026	<ul style="list-style-type: none">Engineering and ProcurementConstruction
Q4 2026	Commercial Operation



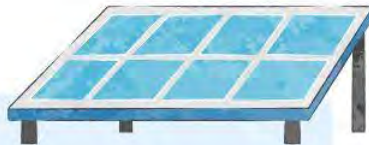
LAND/PARCEL BENEFITS

TMK (1) 9-1-013:029 is an ideal location to host the two Phases of Solar Projects.

Located in close proximity to Kalaeloa Airport (John Rodgers Field)



No buildings or habitable structures are permitted on the TMK.



Solar is one of the few approved land uses for this parcel.

Exploring pollinator-friendly vegetation and grazing to preserve and regenerate the site.



We anticipate planting a seed mix with fescues (grasses), clovers, and pollinator-friendly flowering plants, specifically catered to this Parcel.



Once vegetation is established, we'll introduce sheep grazing to naturally manage vegetation growth.

COMMUNITY BENEFITS

Phase II Project - Program Participant Benefits

- Lowered electricity costs
 - Saving \$30/month, \$7k total over 20yrs

Environmental Benefits

- Safe alternative to fossil fuel powered generators, which have resulted in spills and contamination in our ocean and water tables

Mālama 'āina

- Planting native plants and pollinators

Community Benefits Package

- Community-informed donations to local organizations



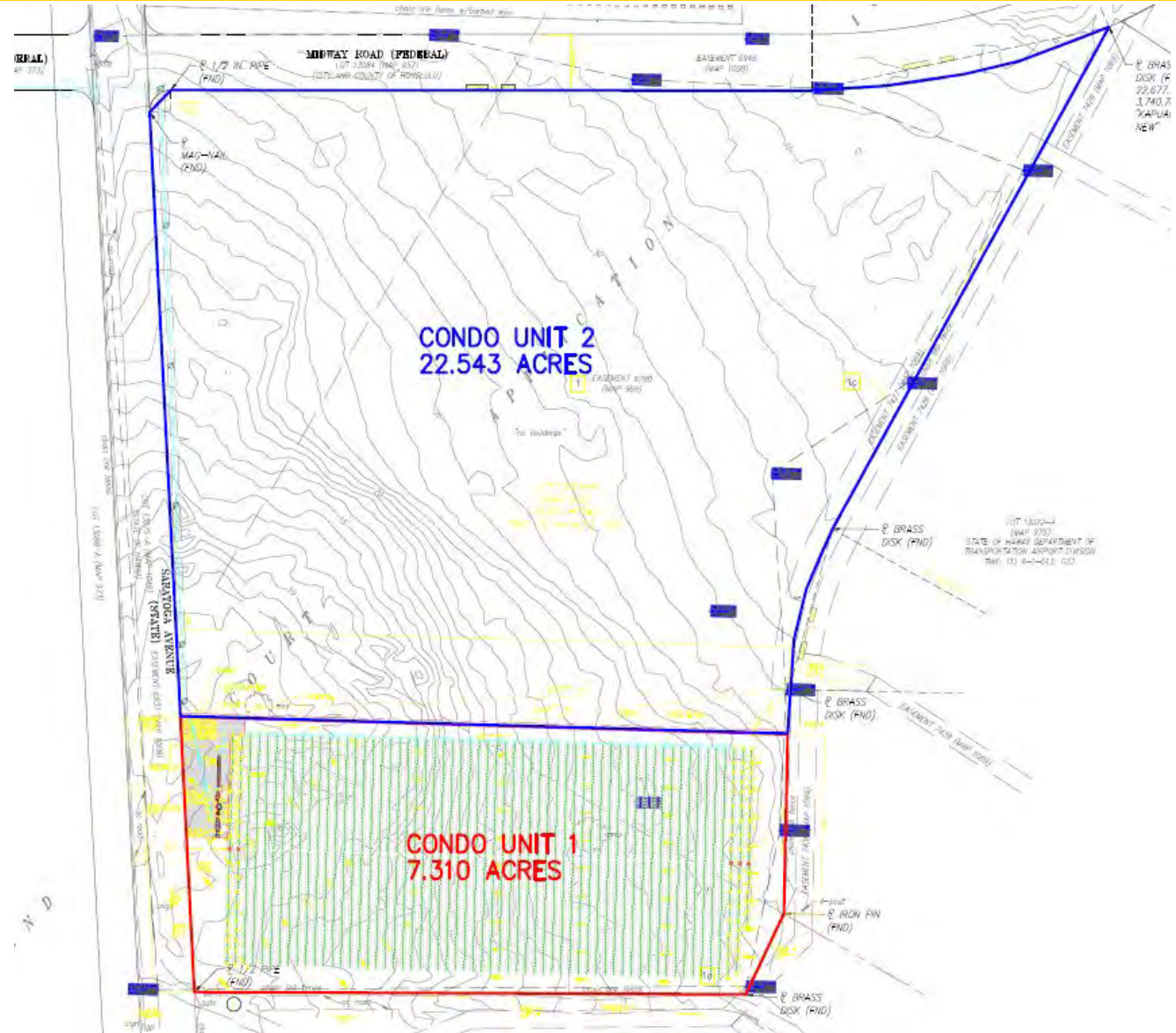
COMMUNITY BENEFITS



1. CONDOMINIUM PROPERTY REGIME PROPOSAL

Kalaeloa Home Lands Solar proposes establishing a **Spatial Condominium Property Regime at the leasehold level** with two Spatial Condominium Units.

- Unit 1 will be subleased to KHLS Phase I.
- Unit 2 will be subleased to KHLS Phase II.



1. CONDOMINIUM PROPERTY REGIME PROPOSAL - WHY A CPR?

- A CPR structure is necessary in order to locate the two phases of Solar Project on the same parcel.
 - The CPR will ensure each solar project can be developed and operated as separate affiliate entities. Separate affiliate entities are necessary for project financing.
- The CPR is established at the leasehold level. When GL 294 expires or is terminated, the CPR will also be terminated.
- Implementing a CPR is critical for the long-term financing and operation of Phase I and Phase II.
 - We plan to kick off the CPR Declaration as soon as approval is granted.

We understand the DHHL has incorporated a CPR structure on other projects in the past, and we respectfully request your approval of our proposed CPR.

2. RENT PRORATION & TERM PROPOSAL

Kalaeloa Home Lands Solar, LLC (Lessee/KHLS) proposes the proration of GL 294 rent provisions in order to allocate the timing and amount of rent owed to be based on the Commercial Operation Date (“COD”) and Acreage of each Phase.

Background

Current Rent terms - GL 294 (Section II.2): *Lessee shall pay rent of \$120,000 annually from the Commercial Operation Date of Lessee’s project.*

- Currently, KHLS must start paying the full rent amount for the entire property when Phase I begins operations, although Phase II has not yet been developed.
- Because Phase I is carrying the full rent payments, this current structure significantly and adversely affects the financing of Phase I - to the extent that it may be unfinanceable, may create potential delays, and may result in Phase I losing its Community-Based Renewable Energy Award.
- Additionally, KHLS is up to date on all milestone rent payments in GL 294.

KHLS seeks DHHL’s approval of our Rent Proration and Term Proposal in order to successfully finance and complete construction of Phase I and open up an avenue of success for Phase II. Without approval of the Rent Proration proposal, Phase I is at risk of losing its Community-Based Renewable Energy award.

2. RENT PRORATION & TERM PROPOSAL

Proposal

KHLS proposes to prorate rent under GL 294 so that rent is proportional to the area of Phases in operation, and rent shall begin on the respective Commercial Operation Date of each Phase.

- Phase I comprises 24.5% of the TMK, and Phase II comprises 75.5% of the TMK.
- KHLS would therefore begin paying \$29,400 (or 24.5% of Total Rent) annually (with applicable escalation) upon Phase I COD (expected 3/2024) and then a full amount of \$120,000 annually (with applicable escalation) upon Phase II COD (anticipated in 2026)
- KHLS will pay an annual Option Fee of \$20,000 for the Phase II project (paid when the Phase I rent payment is paid). The option fee payment will continue until the Phase II project hits COD, at which point the full lease rent will be paid.
- GL 294 contains a 20-year term, beginning when Phase I reaches COD. We propose extending the term to 25 years, so that Phase II will also have a full term and comply with Hawaiian Electric's Standard Form Contract terms.

Lastly, KHLS also proposes back-loading the rent that DHHL would have received for the Phase II lands between Phase I and Phase II COD. The back-loaded rent will be made as a Premium Payment at Phase II COD.

2. RENT PRORATION PROPOSAL - EXAMPLE MATRIX

General Lease 294 - Rent Payment Matrix Table						
Lease Terms	Acreage	% of Parcel Acreage	Total Annual Rent		Annual Escalator	
Lease Terms: TMK (1) 9-1-013:029	29.853	100%	\$120,000.00		1%	
Phased Projects	Acreage	% of Parcel Acreage	Proportion of Annual Rent		Annual Escalator	
KHLS Phase I	7.31	24.5%	\$29,400		1%	
KHLS Phase II	22.54	75.5%	\$90,600		1%	
Rent Category		2024	2025	2026	2027	2028
Phase I Rent		\$29,400	\$29,694	\$29,991	\$30,291	\$30,594
Phase II Option Payment*		\$20,000.00	\$20,000.00	-	-	-
Phase II Project Rent**		-	-	\$92,421.06	\$93,345.27	\$94,278.72
Phase II - Rent Premium Accumulation (paid at Phase II COD, est. 2026)**		\$90,600.00	\$91,506.00	-	-	-
Phase II - Rent Premium Payment		-	-	\$182,106.00	-	-
Total Rent Paid**		\$120,000.00	\$121,200.00	\$304,518.00	\$123,636.12	\$124,872.48
<i>*Option Payment will be in the amount of \$20,000 annually until the earlier of (1) Phase II reaching COD or (2) the expiration or termination of the Lease. **Estimates KHLS Phase II COD in 2026. Phase II Project Rent and Rent Premium to be paid when Phase II reaches its Commercial Operation Date, which may vary from the estimated date shown herein.</i>						

WHY APPROVE THE PROPOSAL?

1. **GL 294 has been in place for nearly 12 years - and the Phase I project is finally going to provide value to DHHL.** We're as excited to:
 - a. start providing financial benefit to DHHL;
 - b. begin providing 1% of actual gross revenue to fund DHHL's future housing program; and
 - c. investing an amount equal to six percent (6%) of the Phase I Rent due under the Lease, and six percent (6%) of the Phase II Rent due under the Lease into the community.

Approving our proposal will ensure the project can be financed and retain its CBRE award, hence ensuring we capture these benefits for DHHL.

2. **Pivot Energy has a strong working relationship with Hawaiian Electric.** We've created a positive track record and have proven that we can execute successfully. We are confident we will receive capacity from Hawaiian Electric for the Phase II project in the upcoming CBRE Procurement Round.
 - a. Worst case scenario, if we did not receive capacity for Phase II in the CBRE Procurement, we will remain committed to exploring additional avenues for solar development on the parcel in order to support Hawai'i's 100% renewable energy goal while providing a \$20,000 annual Option Payment for Phase II until the future project reaches commercial operation.
3. **Our community investments & practices to care for the 'āina provide long-term benefit to DHHL beneficiaries.**

MAHALO!

QUESTIONS & DISCUSSION

Michelle Simms Israel

Manager, Strategic Partnerships

msimms@pivotenergy.net

M 612.619.9474

Samantha Frick

Manager, Community Impact

sfrick@pivotenergy.net

M 906.440.4139

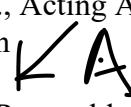


[**pivotenergy.net**](http://pivotenergy.net)

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

September 18-19, 2023

To: Chairman and Members, Hawaiian Homes Commission

From: Peter “Kahana” Albinio, Jr., Acting Administrator
Land Management Division 

Subject: Approval to Issuance of a Revocable Permit to KANI, INC., , Kalaeloa, Island of Oahu, TMK No. (1) 9-1-013:024 (por.)

APPLICANT:

KANI, INC., a Hawaii corporation (“PERMITTEE”)

RECOMMENDED MOTION/ACTION:

That the Hawaiian Homes Commission (“HHC”) approve the issuance of a Revocable Permit to KANI, INC. for temporary truck parking and storage of equipment and machinery that are specifically used in conjunction with its trucking business purposes on a 1.0-acre portion of Hawaiian home lands situated at Kalaeloa, Island of Oahu, specifically identified by TMK:(1)9-1-013:024 (por.), more particularly identified and delineated by the shaded area in Exhibit “A” attached hereto.

The issuance of the revocable permit is subject to the following conditions:

1. The Premises shall only be used for temporary truck parking and storage of equipment and machinery that are specifically used in conjunction with its trucking business purposes. **No sub-rental or other uses shall be permitted without the prior written consent of DHHL;**
2. Monthly rent for the Premises is established at FIVE THOUSAND EIGHT HUNDERD EIGHTY-THREE AND NO/100 DOLLARS (\$5,883.00).
3. PERMITTEE shall be required to pay a non-refundable processing and documentation fee of \$175.00 and place a security deposit equal to two months rent. Initially the security deposit shall be \$11,766.00;
4. PERMITTEE is expressly prohibited from using the premises for the storage, sorting and sale of materials such as fill soil or rock, manure, rubble, junk, waste, scrap, discarded or salvage items including machinery, automobiles, automobile parts, tires, wheels, batteries, equipment, flammables and contaminants of every description whatsoever;
5. PERMITTEE shall provide proof of a commercial general liability insurance policy of no less than \$1,000,000.00 for each occurrence, naming the DHHL as additional insured;

Item No. F-7

6. PERMITTEE shall comply with all applicable governmental laws, rules, regulations, and procedures relating to the operation and activities under this permit. Upon termination of this Permit, PERMITTEE shall be responsible for environmental testing and subsequent clean-up of any contamination or hazardous materials found on the site that may have been caused by PERMITTEE'S use;
7. PERMITTEE agrees to rent the Premises in "as is" condition and shall maintain the Premises in a neat and clean condition, including trimming overgrown vegetation and disposing of trash on a regular basis. No new construction shall be allowed without prior approval of PERMITTOR. No major alteration or addition of any kind shall be made to the Premises unless plans are first submitted and approved by PERMITTOR;
8. PERMITTEE shall install a hard surface, consisting of asphalt paving or concrete, on which all vehicles and equipment that could cause environmental contamination shall be stored. Such hard surface must be maintained in good condition to prevent any fluids, solvents, contaminants or other potentially hazardous materials from entering the soil or groundwater;
9. All hazardous and/or toxic materials, including trucks and equipment containing hazardous and/toxic materials, that could cause contamination of the soil or ground water must be stored on impermeable surface, such as concrete or asphalt pavement. Such surface must be maintained in good repair and approved by PERMITTOR prior to PERMITTEE occupying the Premises. Major equipment repair or servicing shall not be allowed;
10. PERMITTEE may be required to remove and dispose of all surface material, including asphalt paving and concrete slab that becomes contaminated beyond the allowable Department of Health limits due to PERMITTEE'S use.
11. PERMITTEE shall take reasonable measures in preventing any hazardous materials from leaching on the Premises. Proper storage of any oil or gasoline is required;
12. PERMITTEE is aware that there are no existing utility services to the Premises. PERMITTEE agrees to pay for all the costs of establishing utility services to the property and pay for all consumption of utilities on the Premises, should PERMITTEE'S use require such utility services;
13. PERMITTEE shall be solely responsible for the security of all items stored on the Premises. PERMITTEE shall be allowed to install a security fencing, however, if PERMITTEE intends to install other types of security systems, PERMITTEE must first request and obtain PERMITTOR'S written approval;
14. No residential use shall be permitted, including temporary overnight camping. However, PERMITTEE shall be allowed to provide a shelter for security personnel, if such persons are hired for security purposes;

15. PERMITTEE shall be allowed to fence the Premises and place temporary structures on the property provided said structures are used as an office, storage space or a work area. DHHL reserves the right to limit the number of structures or require removal if the structures are not maintained in good condition. No new construction shall be allowed without prior DHHL approval. No major alteration or addition of any kind shall be made to the Premises unless plans are first submitted and approved by DHHL;
16. Prior to vacating the Premises, PERMITTEE shall remove, at PERMITTEE'S expense, all of the PERMITTEE'S equipment, constructed improvements, trash, goods and materials and restore the area to a condition as good as or better than that which existed prior to PERMITTEE'S use. PERMITTEE shall also notify PERMITTOR to do a site inspection when PERMITTEE has completed removal;
17. Other standard terms and conditions of similar revocable permits issued by DHHL, such as liability insurance, site maintenance and real property tax payments;
18. The revocable permit agreement shall be subject to the review and approval of the Department of the Attorney General; and
19. Other terms and conditions deemed prudent by the Hawaiian Homes Commission may be added.

LOCATION:

Tax Map Key: (1) 9-1-013:024 (por.). as shown in Exhibit "A" attached hereto.

PARCEL AREA OF PREMISES:

The parcel area consists of a total of 19.95 acres or 869,109/sq. ft. The Premises under the Revocable Permit will be approximately 1.0 acre or 43,560 sq. ft. of vacant usable space.

DISCUSSION:

Kani Inc. is a trucking entity that parks, and repairs, equipment and machinery in conjunction with its trucking business.

Kani Inc., owners Kani and Momilani Schiedt (husband and wife), expressed interest in acquiring the subject HHL property under a month-to-month revocable permit agreement to continue its business venture via DHHL's Revocable Permit Pilot Program. Therefore, based on its application and Certificate of Good Standing record (attached hereto as Exhibit "B") as reported and obtained from the State of Hawaii DCCA and obtained, LMD recommends that a month-to-month agreement for the subject property be issued to Kani Inc., for purposes that are in conjunction with its trucking business.

Further, LMD drafted and transmitted its terms and conditions letter dated August 11, 2023, to Mr. Schiedt and confirms receipt of its return from Mr. Schiedt with his signature acknowledging

agreement & acceptance (see Exhibit “C” attached). In addition, Mr. Rogerson also remitted the following payments to expedite the revocable permit process:

• Processing & Documentation Fees	\$ 175.00
• Security Deposit	\$11,766.00
Total	<u>\$11,941.00</u>

Kani Inc. also provided its insurance certificate naming DHHL as additional insured.

RENTAL CALCULATION

The parcel is zoned as Industrial Use (See Exhibit “D”). According to the County’s assessed fee-simple value for industrial use purposes within the immediate surrounding area the average market cost per square foot is \$27. However, since this is a month-to-month disposition for a vacant improved portion of land which is partially improved and ideal for industrial use, the base monthly rent per sq. ft. shall be established as follows:

RENT FOR LAND

Average Annual Market Cost/sf	Annual Market Rate of return 6.0%	Monthly Cost/ sf \$1.62/12	Land SF	Base monthly Rent
\$27	\$1.62	\$0.135	43,560/SF	\$5,883.00

Based on the calculated figures, LMD recommends that the rental rate for the subject property be set at \$5,883.00/per month.

PLANNING AREA:

Kalaeloa

LAND USE DESIGNATION:

Industrial per the Oahu Island Plan (2014); Figure 5.5, Honouliuli Ahupuaa Land Use Designations, pp. 5.14

CHARACTER OF USE:

Commercial trucking parking and Storage use.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

Triggers:

Use of State Lands

Exemption Class No. & Description:

Use as proposed shall not cause any trigger for EA to be triggered.

CONSISTENCY WITH DHHL PLANS, POLICIES, AND PROGRAMS

DHHL General Plan (2002)

The recommended action is consistent with the following General Plan goals and objectives:

Land Use Planning

Goals:

- Utilize Hawaiian Home Lands for uses most appropriate to meet the needs and desires of the beneficiary population.

Objectives:

- Provide space for and designate a mixture of appropriate land uses, economic opportunities and community services in a native Hawaiian-friendly environment.
- Direct urban growth to priority development areas based on infrastructure availability, feasible site conditions, beneficiary preferences and job opportunities.

Land and Resource Management

Goals:

- Be responsible, long-term stewards of the Trust's lands and the natural, historic and community resources located on these lands.

Objectives:

- Manage interim land dispositions in a manner that is environmentally sound and does not jeopardize their future uses.
- Enforce governmental health and safety standards and protect life and property from the effects of natural hazards and disaster on Hawaiian home lands.

Economic Development

Goals:

- Generate significant revenue to provide greater financial support towards fulfilling the Trust's mission.

Objectives:

- Create a professionally managed investment portfolio with a well-balanced mix of assets.

Oahu Island Plan (2014)

The recommended action is consistent with the area and the Land Use Plan for continued industrial use in Section 5.1.3.4 Industrial, on P. 5-11.

Program Plans

Water Policy Plan (2014)

While the land use as proposed does not involve activities that would implement DHHL's Water Policy Plan, it is anticipated that redevelopment of the premises will include water conservation measures to make whatever facility is developed on site use water more efficiently.

Ho'omaluo Energy Policy (2009)

While the land use as proposed does not involve activities that would implement DHHL's Energy Policy, it is anticipated that redevelopment of the premises will include energy conservation measures to make whatever facility is developed on site use energy more efficiently.

AUTHORIZATION/LEGAL REFERENCE

§171-55, Hawaii Revised Statutes, as amended, a "permit on a month-to-month basis may continue for a period not to exceed one year from the date of issuance; provided that the commission may allow the permit to continue on a month-to-month basis for additional one-year periods."

At its meeting held on May 31, 1985, the HHC authorized the Chairman to issue, amend, renew and terminate revocable permits. In accordance with Section 10-2-16(a) of the DHHL's Administrative Rules, the Chairman is delegated the authority to use said permits for greater management flexibility under Section 202, Title 2 of the HHCA, 1920, as amended, which states in part... "The respective Commission may delegate to the Chairman such duties, powers and authorities or so much thereof, as may be lawful or proper for the performance of the functions vested in the commission." LMD believes that this delegation of authority for Revocable Permits to the Chairman has never been rescinded and remains in effect today. This continuing effectiveness will be affirmed as part of a submittal to be made by LMD at a future HHC meeting to report back on the outcome and evaluation of the Revocable Permit Pilot Program. Nonetheless, in an abundance of caution and transparency and as an "extra" authorization that "can't hurt", this submittal is being made to the HHC.

RECOMMENDATION

Land Management Division respectfully requests approval as stated.



Exhibit "A"
Agenda Item No. F-7

DCCA State of Hawaii

Downloaded on August 24, 2023.
The information provided below is not a certification of good standing and does not constitute any other certification by the State.
Website URL: <http://hbe.ehawaii.gov/documents>

Business Information

MASTER NAME	KANI INC.
BUSINESS TYPE	Domestic Profit Corporation
FILE NUMBER	212447 D1
STATUS	Active
PURPOSE	TRUCKING
ORGANIZED IN	Hawaii UNITED STATES
INCORPORATION DATE	Jun 17, 2005
MAILING ADDRESS	PO BOX 1242 WAIANAE, Hawaii 96792 UNITED STATES
TERM	PER
AGENT NAME	MOMILANI SCHEIDT
AGENT ADDRESS	84-395 IKUONE PL WAIANAE, Hawaii 96792 UNITED STATES

Annual Filings

FILING YEAR	DATE RECEIVED	STATUS
2023	Apr 21, 2023	Processed
2022	May 3, 2022	Processed
2021	Sep 2, 2021	Processed
2020	Jun 12, 2020	Processed
2019	May 21, 2019	Processed
2018	Apr 16, 2018	Processed
2017	Apr 28, 2017	Processed
2016	Sep 22, 2016	Processed
2015	Apr 6, 2015	Processed
2014	Jul 22, 2014	Processed
2013	Apr 1, 2013	Processed
2012	Apr 30, 2012	Processed
2011	Apr 8, 2011	Processed
2010	Apr 21, 2010	Processed
2009	Dec 2, 2009	Processed
2008	Sep 16, 2008	Processed
2007	Sep 4, 2007	Processed
2006	Aug 21, 2006	Processed

Officers

NAME	OFFICE	DATE
SCHEIDT,MOMILANI	P/D	Apr 1, 2019

SCHEIDT,KANI	V/S	Apr 1, 2019
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Stocks

DATE	CLASS	SHARES	PAID SHARES	PAR VALUE	STOCK AMOUNT
Apr 1, 2006	COMMON	1,000	1,000		

Exhibit "B"
Agenda Item No. F-7

Exhibit "C"

Agenda Item No. F-7

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ka Kia 'āina o ka Moku 'āina 'o
Hawai'i*

SYLVIA J. LUKE
L.T. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia 'āina o ka Moku 'āina
'o Hawai'i*



KALI WATSON
CHAIRMAN, HHC
Ka Luna Ho'okele

KATIE L. DUCATT
DEPUTY TO THE CHAIRMAN
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
Ka 'Oihana 'Āina Ho'opulapula Hawai'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

August 11, 2023

KANI INC.
c/o Mr. Kani Scheidt, Vice President
P.O. Box 1242
Waianae, Hawaii 96792
SENT VIA ELECTRONIC MAIL TO: momi@kaniinc.com
NO HARD COPY TO FOLLOW

RECEIVED
LAND MANAGEMENT
DIVISION
2023 AUG 14 PM 3:37

Dear Mr. Scheidt:

Subject: Request to Use Hawaiian home lands situated at TMK:(1) 9-1-013:024 (por.),
Kalaeloa, Island of Oahu

The Land Management Division (LMD) of the Department of Hawaiian Home Lands (DHHL) has reviewed your application to use the subject property referenced above, and further delineated on the enclosed map under a month-to-month arrangement and for no other purposes whatsoever.

However, prior to seeking the approval of your proposed use from the Chairman of the Hawaiian Homes Commission, we need to reach an agreement on the terms and conditions for permitting your use. In this regard, we propose the following:

1. The term of the permit shall be on a month-to-month basis for a period not to exceed one (1) year, renewable annually on July 1st. PERMITTEE understands that this is a month-to-month permit to use Hawaiian home lands which can be terminated for any or no reason upon a twenty-five (25) day advance written notice given by either party.
2. The permit is for the use of Hawaiian home lands in Kalaeloa, identified as a portion of (1) 9-1-013:024, containing an land area of approximately 1.0 acres (43,560 square feet), and further delineated on the map attached hereto.
3. PERMITTEE shall be able to use the premises for parking trucks, vans, and other such vehicles in conjunction with PERMITTEE'S business. No stockpiling of any material such as rocks, concrete, construction debris, green waste, and dirt shall be permitted. **RESIDENTIAL USE IS STRICTLY PROHIBITED.**
4. Monthly fee for the premises shall be set at FIVE THOUSAND EIGHT HUNDRED EIGHTY-THREE AND NO/100 DOLLARS (\$5,883.00).

5. PERMITTEE shall be required to pay non-refundable processing and documentation fees of \$175.00 and place a security deposit equal to two (2) months rent (**\$11,766.00 = \$5,883 x 2**).
6. Wherever possible, PERMITTEE shall park vehicles and equipment on a hard surface, such as asphalt or concrete and shall place a drip pan under each to prevent fluids from leaking onto the ground.
7. Except for minor emergency repairs, no repairing, fueling, drainage of fluids, painting, repairing, salvaging, parting, or scrapping of vehicles, equipment or materials will be allowed on site.
8. PERMITTEE shall comply with all federal, state and county regulations or requirements regarding environmental issues and the safe handling and disposal of toxic or hazardous materials. Upon termination of this Permit, PERMITTEE shall be responsible for environmental clean up of any contamination or hazardous materials brought onto the site or caused by PERMITTEE'S activities on the site.
9. PERMITTEE shall comply with all federal, state and county statutes, regulations, codes and ordinances applicable to PERMITTEE'S use of the premises;
10. PERMITTEE is aware that there are no utility services to the Premises and agrees to pay for all the costs of establishing utility services to the property and pay for all consumption of utilities on the Premises, should PERMITTEE'S use require such utility services;
11. PERMITTEE shall obtain PERMITTOR'S prior approval for any alteration of the topography except surface grubbing to remove vegetation. PERMITTEE shall be responsible for any flooding or erosion caused by PERMITTEE'S use or alteration of the property;
12. Should PERMITTEE grub, remove trees or otherwise clear vegetation on the site, all such green waste shall be removed to an approved County disposal site;
13. Prior to vacating the Premises, PERMITTEE shall remove, at PERMITTEE'S sole cost, all of the PERMITTEE'S equipment, constructed improvements, trash, goods and materials and restore the area to a condition as good as or better than that which existed prior to PERMITTEE'S use. PERMITTEE shall also notify PERMITTOR to do a site inspection when PERMITTEE has completed removal;
14. PERMITTEE shall provide proof of and keep in full force a general liability insurance policy of no less than \$500,000.00 per occurrence, and \$1 million in the aggregate and an automobile liability insurance policy of no less than \$500,000.00 per occurrence, and \$1 million in the aggregate, if PERMITTEE operates any motor vehicle on the premises. DHHL shall be named as additional insured on the policy;
15. No permanent structure may be erected or placed on the land except for fences, tool sheds, irrigation systems and landscape barriers which must be approved by DHHL;

16. PERMITTEE shall keep the Premises neat and clean at all times and shall not allow its trash to spread to other surrounding areas;

17. PERMITTEE shall be responsible for the security of the Premises and all of PERMITTEE'S personal property thereon;

18. The revocable permit document is subject to the approval of the State of Hawaii Department of Attorney General; and

19. Other terms and conditions deemed prudent by the Chairman of the Hawaiian Homes Commission may be added.

If the terms and conditions contained herein and described above are acceptable, sign, date and return a copy of this letter together with the following to expedite the permit process and your use of the premises:

- Non Refundable Processing & Documentation fees \$175.00
- Security Deposit (an amount equal to two (2)-months fee) \$11,766.00


Total \$11,941.00

- Certificate of Liability Insurance Copy & State GE TAX ID No.

Although your return of the signed letter is not binding on either party, it will be used as a basis for drafting a recommendation for approval and documentation that will become binding once all the parties have signed.

If you have questions or need further clarification, contact the undersigned at 808.620.9451 or by email at peter.k.albinio.jr@hawaii.gov.

Aloha,



Peter "Kahana" Albinio, Jr.,
Acting Administrator
Land Management Division

ATTM

AGREED AND ACCEPTED:


KANI, INC.

By: 

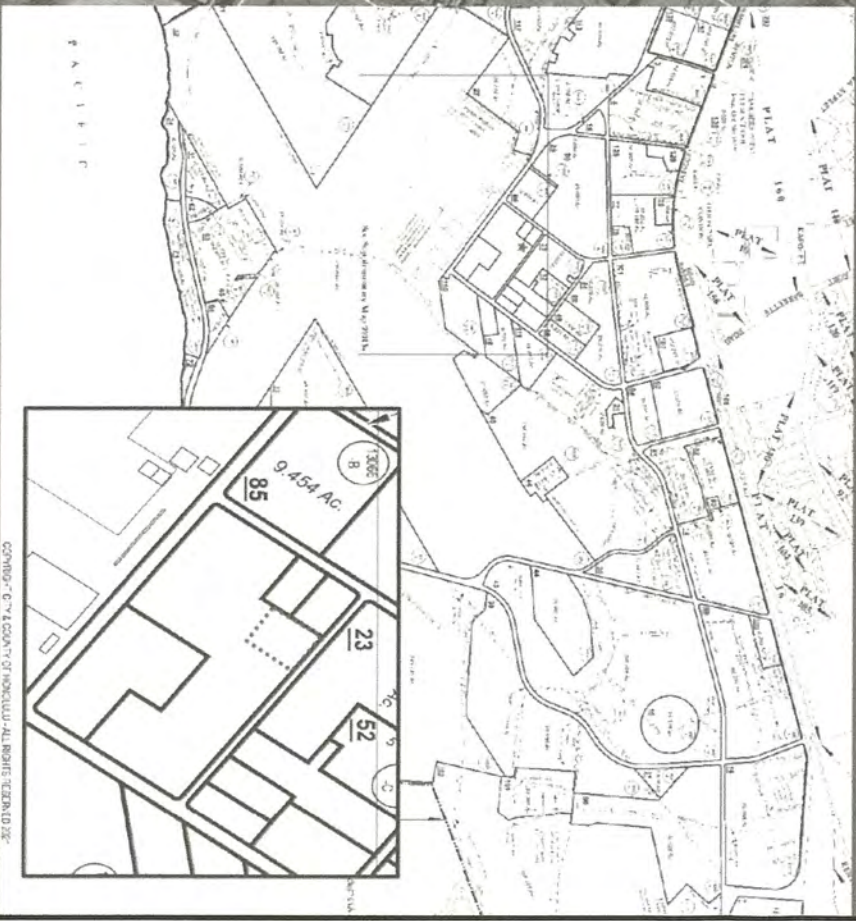
Kani Scheidt, Vice President

8 14 2023

Date

checks Returned by  8/14/2023

TMK NO. (1) 9-1-013:024, containing an area of approximately 1 acre.



KANI INC
P.O. BOX 1242
WAIANAE, HI 96792

BANK OF HAWAII
P.O. Box 2900, Honolulu, HI 96848
boh.com

8724

55-102/1213
43
CHECK AMOUNT

08/14/2023

PAY TO THE ORDER OF Department of Hawaiian Home Lands

\$**175.00

One hundred seventy-five and 00/100*****

DOLLARS

Department of Hawaiian Home Lands

MEMO


AUTHORIZED SIGNATURE

⑈008724⑈ ⑆121301028⑆ 0004⑈025300⑈

KANI INC

8724

Date	Type	Reference	Original Amount	Balance Due	Payment
08/14/2023	Bill		175.00	175.00	175.00
		Check Amount			175.00

BOH - Checking Accr

175.00

2023 AUG 14 PM 3:39

RECEIVED
LAND MANAGEMENT
DIVISION

KANI INC
P.O. BOX 1242
WAIANAE, HI 96792

BANK OF HAWAII
P.O. Box 2900, Honolulu, HI 96848
boh.com

8725

55-102/1213
43
CHECK AMOUNT

08/14/2023

PAY TO THE ORDER OF Department of Hawaiian Home Lands

\$**11,766.00

Eleven thousand seven hundred sixty-six and 00/100*****

DOLLARS

Department of Hawaiian Home Lands

MEMO


AUTHORIZED SIGNATURE

⑈008725⑈ ⑆121301028⑆ 0004⑈025300⑈

KANI INC

8725

Date	Type	Reference	Original Amount	Balance Due	Payment
08/14/2023		Department of Hawaiian Home Lands			
		Security Deposit equal to two (2) - month fee			11,766.00

BOH - Checking Account 5300

11,766.00



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/07/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER ACW GROUP LLC 1000 BISHOP STREET, SUITE 600 HONOLULU HI 96813	CONTACT NAME ROBERT CROZIER PHONE (A/C, No, Ext): 808-535-5088 FAX (A/C, No): 808-535-5055 E-MAIL ADDRESS: RCROZIER@ACWHAWAII.COM
INSURED KANI INC. P.O. BOX 1242 WAIANAE HI 96792	INSURER(S) AFFORDING COVERAGE INSURER A: ISLAND INSURANCE CO NAIC # 22845 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES

CERTIFICATE NUMBER: 102323

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X		ILA9724941	03/09/2023	03/09/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	X		TTP0000809	03/09/2023	03/09/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

*****PROOF OF INSURANCE*****

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Exhibit "D"

Agenda Item No. F-7

2022 RPT Information: City & County of Honolulu

TMK	Owner	Property Class	Land Area (approx sq ft)	Land Area (acres)	Assessed Land Value	Land Cost per sf / yr	6.0% Market Rtn Rate	Rent per sf/yr	Rent per sf/mo
191013024	HHL	Commercial	869,109	19.95	\$23,474,600	\$27	\$1.62	\$1.62	\$0.14

Parcel Information

Parcel Number: 910130240000
Location Address: 91-1071 YORKTOWN ST
Project Name:
Legal Information:
Property Class: COMMERCIAL
Land Area (approximate sq ft): 869,109
Land Area (acres): 19.9520

[Plat Map PDF](#) [GIS Parcel Map](#)

Email us at hawaii@hawaii.gov regarding Supplemental Plat Map PDFs.

Owner Names
HAWAIIAN HOME LANDS - Free Owner

☐ Efile Historical Assessments

Assessment Year	Property Class	Assessed Land Value	Dedicated Use Value	Land Exemption	Net Taxable Land Value	Assessed Building Value	Building Exemption	Net Taxable Building Value	Total Property Assessed Value	Total Property Exemption	Total Net Taxable Value
2023	COMMERCIAL	\$25,378,000	\$0	\$25,378,000	\$0	\$1,482,800	\$1,482,800	\$0	\$26,860,800	\$26,860,800	\$0
2022	COMMERCIAL	\$23,474,600	\$0	\$23,474,600	\$0	\$1,412,600	\$1,412,600	\$0	\$24,887,200	\$24,887,200	\$0
2021	COMMERCIAL	\$23,474,600	\$0	\$23,474,600	\$0	\$1,490,400	\$1,490,400	\$0	\$24,965,000	\$24,965,000	\$0
2020	COMMERCIAL	\$23,474,600	\$0	\$23,474,600	\$0	\$1,601,300	\$1,601,300	\$0	\$25,075,900	\$25,075,900	\$0
2019	COMMERCIAL	\$22,205,700	\$0	\$22,205,700	\$0	\$1,602,400	\$1,602,400	\$0	\$23,808,100	\$23,808,100	\$0
2018	COMMERCIAL	\$20,302,400	\$0	\$20,302,400	\$0	\$1,595,500	\$1,595,500	\$0	\$21,897,900	\$21,897,900	\$0
2017	COMMERCIAL	\$19,033,500	\$0	\$19,033,500	\$0	\$1,722,500	\$1,722,500	\$0	\$20,756,000	\$20,756,000	\$0
2016	COMMERCIAL	\$19,033,500	\$0	\$19,033,500	\$0	\$428,100	\$428,100	\$0	\$19,461,600	\$19,461,600	\$0
2015	RESIDENTIAL	\$6,983,200	\$0	\$6,983,200	\$0	\$412,600	\$412,600	\$0	\$7,395,800	\$7,395,800	\$0
2014	RESIDENTIAL	\$6,983,200	\$0	\$6,983,200	\$0	\$409,600	\$409,600	\$0	\$7,392,800	\$7,392,800	\$0

[How to calculate real property taxes](#)

No data available for the following modules: Condominium/Apartment Unit Information, Appeal Information, Agricultural Assessment Information, Current Tax Bill Information, Historical Tax Information.

The City and County of Honolulu is an Equal Opportunity Employer. Minorities and women are encouraged to apply. [User Privacy Policy](#) | [GDPR Privacy Notice](#)
Last Data Updated: 8/24/2023 1:42:51 PM


Schneider GEOSPATIAL



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

September 18-19, 2023

To: Chairman and Members, Hawaiian Homes Commission

From: Peter “Kahana” Albinio, Jr., Acting Administrator
Land Management Division 

Subject: Approval to Issuance of a Revocable Permit to KE KULA NUI O
WAIMANALO, Waimanalo, Island of Oahu, TMK No. (1) 4-1-019:032

APPLICANT:

KE KULA NUI O WAIMANALO, a Hawaii 501(c)(3) Non-Profit corporation (“KKNOW” or “PERMITEE”).

RECOMMENDED MOTION/ACTION:

That the Hawaiian Homes Commission (“HHC”) approve the issuance of a Revocable Permit to KKNOW for community uses that are in accord with the purposes of the 501(c)(3) Non-Profit Organization on a 1.7-acre portion of Hawaiian home lands situated at Waimanalo, Island of Oahu, identified as TMK: (1) 4-1-019:032, more particularly identified and delineated by the shaded area in Exhibit “A” attached hereto (the “Premises”).

The issuance of the Revocable Permit is subject to the following conditions:

1. The Premises shall only be used for community use that are in accordance with PERMITEE’s non-profit organization purposes. **No sub-rental or assignment shall be permitted without the prior written consent of DHHL.**
2. Monthly rent for the Premises is established at TWENTY AND NO/100 DOLLARS (\$20.00).
3. PERMITTEE shall be required to pay a non-refundable processing and documentation fee of \$175.00 and to place a security deposit equal to two months rent.
4. PERMITTEE is expressly prohibited from using the Premises for the storage, sorting and sale of materials such as fill soil or rock, manure, rubble, junk, waste, scrap, discarded or salvage items including machinery, automobiles, automobile parts, tires, wheels, batteries, equipment, flammables and contaminants of every description whatsoever.
5. PERMITTEE shall provide proof of a commercial general liability insurance policy providing coverage of no less than \$1,000,000.00 for each occurrence, naming the Department of Hawaiian Home Lands (“DHHL”) as additional insured.

6. PERMITTEE shall comply with all applicable governmental laws, rules, regulations, and procedures relating to the operation and activities under this permit. Upon termination of this Permit, PERMITTEE shall be responsible for environmental testing and subsequent clean-up of any contamination or hazardous materials found on the site that may have been caused by PERMITTEE'S use.
7. PERMITTEE agrees to accept the Premises in its "as is" condition and shall maintain the Premises in a neat and clean condition, including trimming overgrown vegetation and disposing of trash on a regular basis. No new construction shall be allowed without prior approval of DHHL. No major alteration or addition of any kind shall be made to the Premises unless plans are first submitted and approved by DHHL.
8. PERMITTEE shall install a hard surface, consisting of asphalt paving or concrete, on which all vehicles and equipment that could cause environmental contamination shall be stored. Such hard surface must be maintained in good condition to prevent any fluids, solvents, contaminants or other potentially hazardous materials from entering the soil or groundwater.
9. All hazardous and/or toxic materials, including trucks and equipment containing hazardous and/toxic materials, that could cause contamination of the soil or ground water must be stored on an impermeable surface, such as concrete or asphalt pavement. Such surface must be maintained in good repair and approved by DHHL prior to PERMITTEE occupying the Premises. Major equipment repair or servicing shall not be allowed;
10. PERMITTEE may be required to remove and dispose of all surface material, including asphalt paving and concrete slab that becomes contaminated beyond the allowable Department of Health limits due to PERMITTEE'S use.
11. PERMITTEE shall take reasonable measures in preventing any hazardous materials from leaching on the Premises. Proper storage of any oil or gasoline is required.
12. PERMITTEE is aware that there are no existing utility services to the Premises. PERMITTEE agrees to pay for all the costs of establishing utility services to the property and pay for all consumption of utilities on the Premises, should PERMITTEE'S use require such utility services.
13. PERMITTEE shall be solely responsible for the security of all items stored on the Premises. PERMITTEE shall be allowed to install security fencing; However, if PERMITTEE intends to install other types of security systems, PERMITTEE must first request and obtain DHHL's written approval.
14. No residential use shall be permitted, including temporary overnight camping; However, PERMITTEE shall be allowed to provide a shelter for security personnel it hires for such purpose.

15. PERMITTEE shall be allowed to fence the Premises and to place temporary structures on the Premises, provided said structures are used as an office, storage space or a work area. DHHL reserves the right to limit the number of structures or require removal if the structures are not maintained in good condition. No new construction shall be allowed without prior DHHL approval. No major alteration or addition of any kind shall be made to the Premises unless plans are first submitted and approved by DHHL.
16. Prior to vacating the Premises, PERMITTEE shall remove, at PERMITTEE'S expense, all of the PERMITTEE'S equipment, constructed improvements, trash, goods and materials and restore the area to a condition as good as or better than that which existed prior to PERMITTEE'S use. PERMITTEE shall also notify DHHL to allow it to do a site inspection when PERMITTEE has completed removal.
17. The Revocable Permit shall include standard terms and conditions similar to those found in other revocable permits issued by DHHL, such as liability insurance, site maintenance and real property tax payments.
18. The Revocable Permit document shall be subject to the review and approval of the Department of the Attorney General; and
19. The Revocable Permit shall include other terms and condition deemed prudent by the HHC.

LOCATION:

Tax Map Key: (1) 4-1-019: 032 as shown in Exhibit "A" attached hereto.

AREA OF PREMISES:

The parcel area consists of a total of 1.7 acres or 73,243/sq. ft.

DISCUSSION:

KKNOW is a 501(c)(3) non-profit organization that was envisioned and created to provide exciting and innovative projects and programs directly to the Hawaiian Homes beneficiaries who reside in the Waimanalo Homestead Communities first, and then to the Waimanalo community at large. KKNOW expressed interest in securing the use of the subject property under a month-to-month Revocable Permit via DHHL's Revocable Permit Pilot Program. Therefore, based on KKNOW's application and submission of a Certificate of Good Standing from the State of Hawaii DCCA (attached hereto as Exhibit "B"), Land Management Division ("LMD") recommends that a month-to-month Revocable Permit for the subject property for community uses that are in accord with the purposes of the 501(c)(3) Non-Profit be issued to KKNOW.

KKNOW has already accepted DHHL's Preliminary Terms and Conditions letter dated September 7, 2023 (see attached Exhibit "C").

RENTAL CALCULATION

Since this is a month-to-month disposition for a vacant portion of land which is ideal for community use, LMD recommends that the base rent for the subject property be established at a nominal monthly amount of \$20.00.

PLANNING AREA:

Waimanalo.

LAND USE DESIGNATION:

Industrial, per the Oahu Island Plan (2014); Figure 7.3, Waimanalo Ahupuaa Land Use Designations.

CHARACTER OF USE:

Community use.

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

The proposed community use does not trigger any requirement for an Environmental Assessment to be conducted.

CONSISTENCY WITH DHHL PLANS, POLICIES, AND PROGRAMS

DHHL General Plan (2002) - The recommended action is consistent with the following General Plan goals and objectives:

Land Use Planning

Goals:

- Utilize Hawaiian Home Lands for uses most appropriate to meet the needs and desires of the beneficiary population.

Objectives:

- Provide space for and designate a mixture of appropriate land uses, economic opportunities and community services in a native Hawaiian-friendly environment.
- Direct urban growth to priority development areas based on infrastructure availability, feasible site conditions, beneficiary preferences and job opportunities.

Land and Resource Management

Goals:

- Be responsible, long-term stewards of the Trust's lands and the natural, historic and community resources located on these lands.

Objectives:

- Manage interim land dispositions in a manner that is environmentally sound and does not jeopardize their future uses.
- Enforce governmental health and safety standards and protect life and property from the effects of natural hazards and disaster on Hawaiian home lands.

Economic Development

Goals:

- Generate significant revenue to provide greater financial support towards fulfilling the Trust's mission.

Objectives:

- Create a professionally managed investment portfolio with a well-balanced mix of assets.

Oahu Island Plan (2014) - The recommended action is consistent with the Oahu Island Plan, Section 7.1.3.3 designation of this general area for continued community use.

Program Plans

Water Policy Plan (2014)

While the land use as proposed does not involve activities that would implement DHHL's Water Policy Plan, it is anticipated that redevelopment of the Premises will include water conservation measures to make whatever facility is developed on the site use water more efficiently.

Ho'omaluo Energy Policy (2009)

While the land use as proposed does not involve activities that would implement DHHL's Energy Policy, it is anticipated that redevelopment of the Premises will include energy conservation measures to make whatever facility is developed on the site use energy more efficiently.

AUTHORIZATION/LEGAL REFERENCE

§171-55, Hawaii Revised Statutes, as amended, provides that a "permit on a month-to-month basis may continue for a period not to exceed one year from the date of issuance; provided that the commission may allow the permit to continue on a month-to-month basis for additional one-year periods."

At its meeting held on May 31, 1985, the HHC authorized the Chairman to issue, amend, renew and terminate revocable permits. In accordance with Section 10-2-16(a) of the DHHL's Administrative Rules, the Chairman is delegated the authority to use said permits for greater

management flexibility under Section 202, Title 2 of the HHCA, 1920, as amended, which states in part... “The respective Commission may delegate to the Chairman such duties, powers and authorities or so much thereof, as may be lawful or proper for the performance of the functions vested in the commission.” LMD believes that this delegation of authority for Revocable Permits to the Chairman has never been rescinded and remains in effect today. This continuing effectiveness will be affirmed as part of a submittal to be made by LMD at a future HHC meeting to report back on the outcome and evaluation of the Revocable Permit Pilot Program. Nonetheless, in an abundance of caution and transparency and as an “extra” authorization that “can’t hurt”, this submittal is being made to the HHC.

RECOMMENDATION

LMD respectfully requests approval of the Motion/Action as stated.

Waimānalo | O'ahu



Community Revocable Permit
TMK NO. (1)4-1-019:032, containing an area of 1.7044 acres.

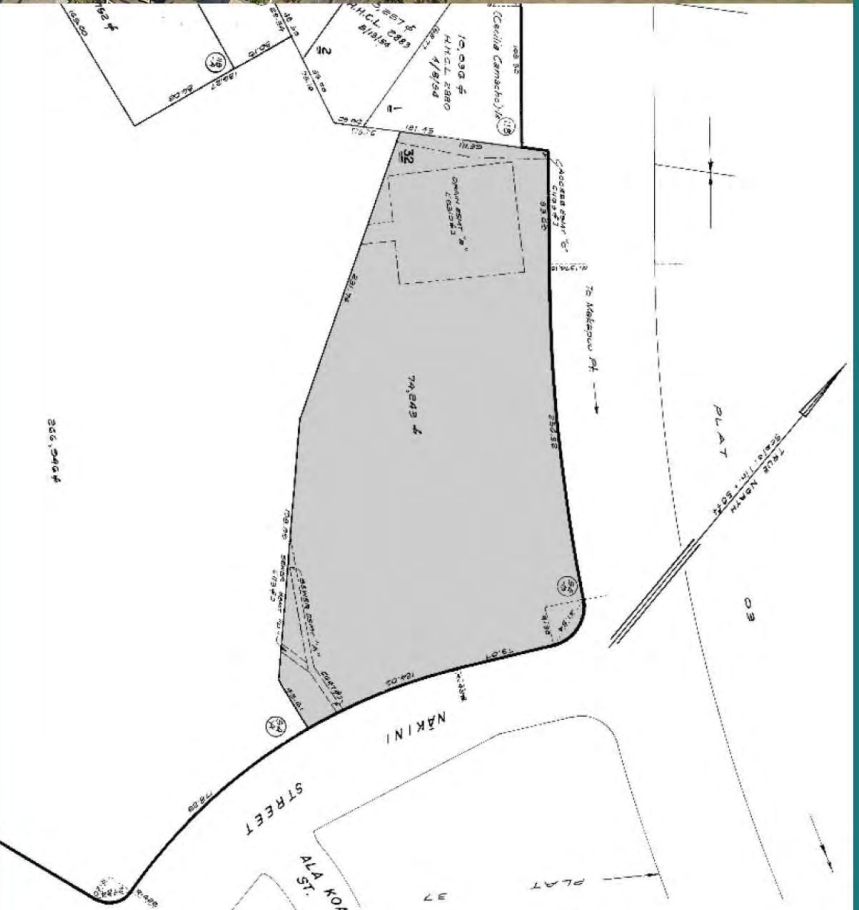


Exhibit "A"
Item No. F-8

DCCA State of Hawaii

Downloaded on September 7, 2023.
The information provided below is not a certification of good standing and does not constitute any other certification by the State.
Website URL: <http://hbe.ehawaii.gov/documents>

Business Information

MASTER NAME	KE KULA NUI 'O WAIMĀNALO
BUSINESS TYPE	Domestic Nonprofit Corporation
FILE NUMBER	284902 D2
STATUS	Active
PURPOSE	EDUCATION AND NATIVE CULTURAL ACTIVITIES TO PERPETUATE HAWAIIAN LIFE.
ORGANIZED IN	Hawaii UNITED STATES
INCORPORATION DATE	Nov 1, 2017
MAILING ADDRESS	PO BOX 723 WAIMĀNALO, Hawaii 96795
TERM	UNITED STATES
AGENT NAME	PER HEIDI ILIMA HO-LASTIMOSA
AGENT ADDRESS	41-1650 KUMUNI'U ST WAIMĀNALO, Hawaii 96795 UNITED STATES

Annual Filings

FILING YEAR	DATE RECEIVED	STATUS
2022	Nov 3, 2022	Processed
2021	Nov 13, 2021	Processed
2020	Jan 30, 2021	Processed
2019	Oct 4, 2019	Processed
2018	Dec 12, 2018	Processed

Officers

NAME	OFFICE	DATE
DEITSCHMAN,KIRK	P	Oct 1, 2018
ROGERSON,IKAIKA	V	Oct 1, 2018
HO,KENNEETH	S	Oct 1, 2018
KELIHOLOKAI,LESHAY	T	Feb 19, 2021
RADOVICH,THEODORE	D	Oct 1, 2018
HO-LASTIMOSA,HEIDI	D	Oct 1, 2018
CHUNG-DO,JANE	D	Oct 1, 2018

Trade Names

NAME	TYPE	CATEGORY	REGISTRATION	EXPIRATION	STATUS
------	------	----------	--------------	------------	--------

		DATE	DATE		
GOD'S COUNTRY WAIMANALO	Trade Name	NO CATEGORY SELECTED	Jan 11, 2023	Jan 10, 2028	Active
MALAMA AQUAPONICS	Trade Name	NO CATEGORY SELECTED	Jan 11, 2023	Jan 10, 2028	Active
NA KUKUI O WAIMANALO	Trade Name	NO CATEGORY SELECTED	Jan 18, 2023	Jan 17, 2028	Active
OLA WAIMANALO	Trade Name	NO CATEGORY SELECTED	Jan 11, 2023	Jan 10, 2028	Active
PINK	Trade Name	NO CATEGORY SELECTED	Jan 11, 2023	Jan 10, 2028	Active
WAIMANALO LEARNING CENTER	Trade Name	NO CATEGORY SELECTED	Jan 11, 2023	Jan 10, 2028	Active
WAIMANALO PONO RESEARCH	Trade Name	NO CATEGORY SELECTED	Jan 11, 2023	Jan 10, 2028	Active



STATE OF HAWAII
STATE PROCUREMENT OFFICE

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs (DCCA).

Vendor Name: KE KULA NUI 'O WAIMĀNALO

DBA/Trade Name: Ke Kula Nui O Waimanalo

Issue Date: 09/07/2023

Status: **Compliant**

Hawaii Tax#: 03976243-20
New Hawaii Tax#: GE-0397624320-01
FEIN/SSN#: XX-XXX5043
UI#: No record
DCCA FILE#: 284902

Status of Compliance for this Vendor on issue date:

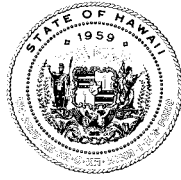
Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
8821	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	A status determination has not yet been made
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawaii'i*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia'āina o ka Moku'āina
'o Hawaii'i*



KALI WATSON
CHAIRMAN, HHC
Ka Luna Ho'okele

KATIE L. DUCATT
DEPUTY TO THE CHAIRMAN
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
Ka 'Oihana 'Āina Ho'opulapula Hawaii'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

September 7, 2023

KE KULA NUI O WAIMANALO
c/o Mr. Kirk Deitschman, President
P.O. Box 723
Waimanalo, Hawaii 96795
SENT VIA ELECTRONIC MAIL TO: kirk@kekulanuiowaimanalo.org
NO HARD COPY TO FOLLOW

Dear Mr. Deitschman:

Subject: Request to Use Hawaiian home lands situated at TMK:(1) 4-1-019:032,
Waimanalo, Island of Oahu

The Land Management Division (LMD) of the Department of Hawaiian Home Lands (DHHL) has reviewed your application to use the subject property referenced above, and further delineated on the enclosed map under a month-to-month arrangement and for no other purposes whatsoever.

However, prior to seeking the approval of your proposed use from the Chairman of the Hawaiian Homes Commission, we need to reach an agreement on the terms and conditions for permitting your use. In this regard, we propose the following:

1. The term of the permit shall be on a month-to-month basis for a period not to exceed one (1) year, renewable annually on July 1st. PERMITTEE understands that this is a month-to-month permit to use Hawaiian home lands which can be terminated for any or no reason upon a twenty-five (25) day advance written notice given by either party.
2. The permit is for the use of Hawaiian home lands in Waimanalo, identified by TMK No. (1) 4-1-019:032, containing an land area of approximately 1.70 acres (74,243 square feet), and further delineated on the map attached hereto.
3. PERMITTEE shall be able to use the premises for community use purposes in conjunction with PERMITTEE'S 501(c)(3) Non-Profit organization. No stockpiling of any material such as rocks, concrete, construction debris, green waste, and dirt shall be permitted. **RESIDENTIAL USE IS STRICTLY PROHIBITED.**
4. Monthly fee for the premises shall be set at TWENTY AND NO/100 DOLLARS (\$20.00).

Exhibit "B-1"
Item No. F-8

5. PERMITTEE shall be required to pay non-refundable processing and documentation fees of \$175.00 and place a security deposit equal to two (2) months rent (**\$40.00 = \$20 x 2**).
6. PERMITTEE shall comply with all federal, state and county regulations or requirements regarding environmental issues and the safe handling and disposal of toxic or hazardous materials. Upon termination of this Permit, PERMITTEE shall be responsible for environmental clean up of any contamination or hazardous materials brought onto the site or caused by PERMITTEE'S activities on the site.
7. PERMITTEE shall comply with all federal, state and county statutes, regulations, codes and ordinances applicable to PERMITTEE'S use of the premises;
8. PERMITTEE is aware that there are no utility services to the Premises and agrees to pay for all the costs of establishing utility services to the property and pay for all consumption of utilities on the Premises, should PERMITTEE'S use require such utility services;
9. PERMITTEE shall obtain PERMITTOR'S prior approval for any alteration of the topography except surface grubbing to remove vegetation. PERMITTEE shall be responsible for any flooding or erosion caused by PERMITTEE'S use or alteration of the property;
10. Should PERMITTEE grub, remove trees or otherwise clear vegetation on the site, all such green waste shall be removed to an approved County disposal site;
11. Prior to vacating the Premises, PERMITTEE shall remove, at PERMITTEE'S sole cost, all of the PERMITTEE'S equipment, constructed temporary improvements, trash, goods and materials and restore the area to a condition as good as or better than that which existed prior to PERMITTEE'S use. PERMITTEE shall also notify PERMITTOR to do a site inspection when PERMITTEE has completed removal;
12. PERMITTEE shall provide proof of and keep in full force a general liability insurance policy of no less than \$500,000.00 per occurrence, and \$1 million in the aggregate and an automobile liability insurance policy of no less than \$500,000.00 per occurrence, and \$1 million in the aggregate, if PERMITTEE operates any motor vehicle on the premises. DHHL shall be named as additional insured on the policy;
13. No permanent structure may be erected or placed on the land except for fences, tool sheds, irrigation systems and landscape barriers which must be approved by DHHL;
14. PERMITTEE shall keep the Premises neat and clean at all times and shall not allow its trash to spread to other surrounding areas;
15. PERMITTEE shall be responsible for the security of the Premises and all of PERMITTEE'S personal property thereon;

Mr. Kirk Deitschman

September 7, 2023

Page 3 of 3

16. The revocable permit document is subject to the approval of the State of Hawaii Department of Attorney General; and

17. Other terms and conditions deemed prudent by the Chairman of the Hawaiian Homes Commission may be added.

If the terms and conditions contained herein and described above are acceptable, sign, date and return a copy of this letter together with the following to expedite the permit process and your use of the premises:

- | | |
|--|----------------|
| • Non Refundable Processing & Documentation fees | \$175.00 |
| • Security Deposit (an amount equal to two (2)-months fee) | <u>\$20.00</u> |

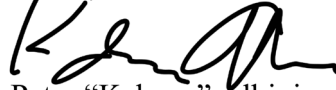
Total \$195.00

- Certificate of Liability Insurance Copy & State GE TAX ID No.

Although your return of the signed letter is not binding on either party, it will be used as a basis for drafting a recommendation for approval and documentation that will become binding once all the parties have signed.

If you have questions or need further clarification, contact the undersigned at 808.620.9451 or by email at peter.k.albinio.jr@hawaii.gov.

Aloha,



Peter "Kahana" Albinio, Jr.,
Acting Administrator
Land Management Division

ATTM

AGREED AND ACCEPTED:

KE KULA NUI O WAIMANALO

By: 
Kirk Deitschman (Sep 7, 2023 13:31 HST)

Kirk Deitschman, President

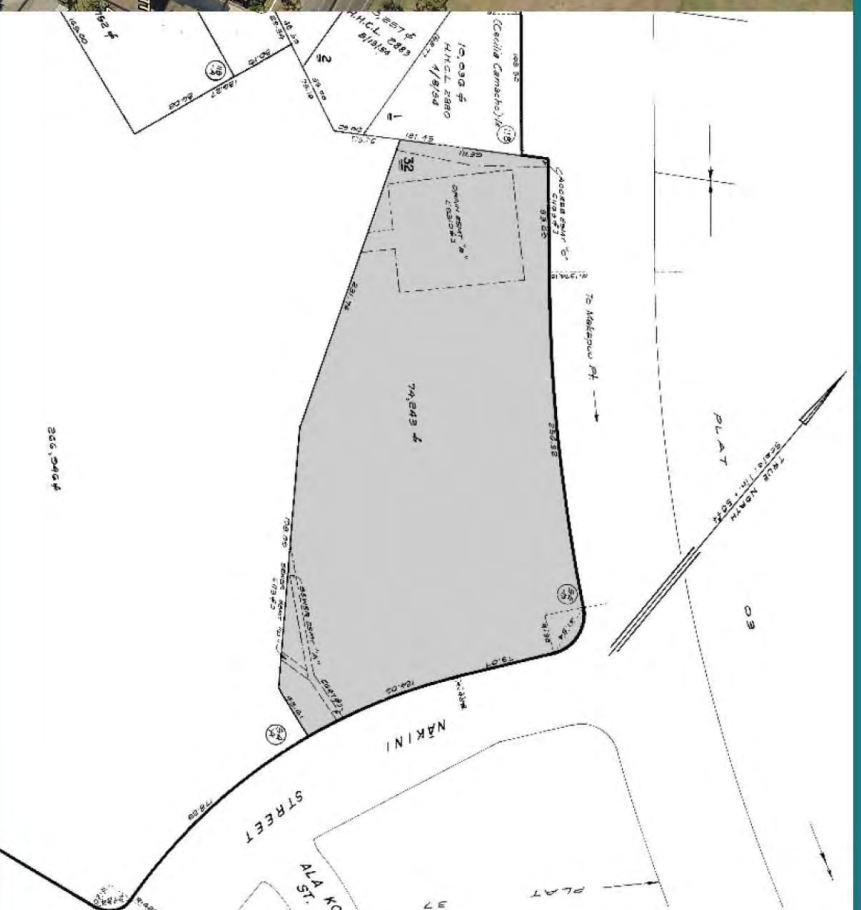
Sep 7, 2023

Date

Waimānalo | O'ahu



Community Revocable Permit
TMK NO. (1)4-1-019:032, containing an area of 1.7044 acres.



2022 RPT Information: City & County of Honolulu

Exhibit "C" Item No. F-8

TMK	Owner	Property Class	Land Area (approx sq ft)	Land Area (acres)	Assessed Land Value	Land Cost per sf / yr	6.0% Market Rtn Rate	Rent per sf/yr	Rent per sf/mo
141019032	HHL	Residential	74,243	1.70	\$900	\$0	\$0.00	\$0.00	\$0.00

Parcel Information

Parcel Number: 410190320000
 Location Address: 41-209 ILAUHOLE ST
 Project Name:
 Legal Information: LOT 54-B "WAIMANALO RESIDENCE LOTS, UNIT 9" 74,243 SF DES SUBJ/E
 Property Class: RESIDENTIAL
 Land Area (approximate sq ft): 74,243
 Land Area (acres): 1.7044

[Plat Map PDF](#) [GIS Parcel Map](#)

Email us at hfrpmalibox@honolulu.gov regarding Supplemental Plat Map PDFs.

Owner Names
 HAWAIIAN HOME LANDS Fee Owner

☐ Hide Historical Assessments

Assessment Year	Property Class	Assessed Land Value	Dedicated Use Value	Land Exemption	Net Taxable Land Value	Assessed Building Value	Building Exemption	Net Taxable Building Value	Total Property Assessed Value	Total Property Exemption	Total Net Taxable Value
2023	RESIDENTIAL	\$900	\$0	\$900	\$0	\$3,901,000	\$3,901,000	\$0	\$3,901,900	\$3,901,900	\$0
2022	RESIDENTIAL	\$900	\$0	\$900	\$0	\$3,901,000	\$3,901,000	\$0	\$3,901,900	\$3,901,900	\$0
2021	RESIDENTIAL	\$900	\$0	\$900	\$0	\$3,901,000	\$3,901,000	\$0	\$3,901,900	\$3,901,900	\$0
2020	RESIDENTIAL	\$900	\$0	\$900	\$0	\$3,901,000	\$3,901,000	\$0	\$3,901,900	\$3,901,900	\$0
2019	RESIDENTIAL	\$900	\$0	\$900	\$0	\$3,901,000	\$3,901,000	\$0	\$3,901,900	\$3,901,900	\$0
2018	RESIDENTIAL	\$900	\$0	\$900	\$0	\$3,901,000	\$3,901,000	\$0	\$3,901,900	\$3,901,900	\$0
2017	RESIDENTIAL	\$900	\$0	\$900	\$0	\$3,901,000	\$3,901,000	\$0	\$3,901,900	\$3,901,900	\$0
2016	RESIDENTIAL	\$900	\$0	\$900	\$0	\$3,901,000	\$3,901,000	\$0	\$3,901,900	\$3,901,900	\$0
2015	RESIDENTIAL	\$900	\$0	\$900	\$0	\$3,901,000	\$3,901,000	\$0	\$3,901,900	\$3,901,900	\$0
2014	RESIDENTIAL	\$900	\$0	\$900	\$0	\$3,901,000	\$3,901,000	\$0	\$3,901,900	\$3,901,900	\$0

[How to calculate real property taxes](#)

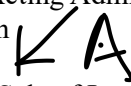


STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Peter "Kahana" Albinio, Jr., Acting Administrator
Hawaiian Homes Commission 

SUBJECT: Authorization to Enter Into a Sale of Lease at Public Auction for Industrial Purposes for the Shafter Flats Industrial Development, Moanalua, Honolulu, O'ahu Island, TMK Nos. (1) 1-1-064:018, 019, 020, 021, 022, 031, 032, 033, 034 & 035

RECOMMENDED ACTION/MOTION

That the Hawaiian Homes Commission (HHC) authorize the following:

- A. To rescind prior action of August 15-16, 2022 authorizing the preparation and issuance of a Request for Proposal (RFP) for a developer agreement land disposition for the parcels identified below.
- B. To advertise and conduct public land disposition for ten industrial parcels on Hawaiian home lands (See Exhibit "A"), located within the Shafter Flats Industrial Development identified below:
 - 1. Lot 16, TMK: (1) 1-1-064:018, 24,638 sq. ft.
 - 2. Lot 17, TMK: (1) 1-1-064:019, 25,000 sq. ft.
 - 3. Lot 18, TMK: (1) 1-1-063:020, 25,000 sq. ft.
 - 4. Lot 19, TMK: (1) 1-1-064:021, 25,000 sq. ft.
 - 5. Lot 20, TMK: (1) 1-1-064:022, 25,000 sq. ft.
 - 6. Lot 1, TMK: (1) 1-1-064:034, 10,122 sq. ft.
 - 7. Lot 2, TMK: (1) 1-1-064:035, 10,133 sq. ft.
 - 8. Lot 3, TMK: (1) 1-1-064:033, 22,964 sq. ft.
 - 9. Lot 4, TMK: (1) 1-1-064:032, 21,448 sq. ft.
 - 10. Lot 5, TMK: (1) 1-1-064:031, 20,787 sq. ft.
- C. To set all appropriate terms and conditions, to be approved by the Chairman of the HHC, in accordance with the requirements of Chapter 171, Hawaii Revised Statutes, as amended, pursuant to Section 204(a)(2), Hawaiian Homes Commission Act, 1920, as amended.
- D. To expend budgeted funds necessary for a fair market summary appraisal report and environmental assessment, if necessary, on the subject parcels which are designated for non-residential use on the Oahu Island Plan and I-2 Intensive Industrial District in the City & County of Honolulu Land Use Ordinances.
- E. To request authorization from the Department of the Attorney General to retain outside legal counsel, if necessary, in the lease negotiation of the final terms and conditions of the general lease agreements.

DISCUSSION

At the August 15 & 16, 2022 regular monthly meeting under Agenda Item No. F-3, the HHC authorized the department to move forward with the issuance of a Request for Proposal (RFP) for a developer agreement to re-develop the identified parcels as a new, integrated commercial industrial complex. As part of the re-development, the drainage and flooding mitigation for all of DHHL's Moanalua Kai properties will be addressed.

DHHL commissioned a feasibility study and conceptual plans for the Moanalua Kai properties in 2019. The final report recommended:

- Lower density redevelopment
- An “as is” scenario for parts of the area
- Thorough consideration of early termination
- Consideration of the environmental and site condition data that were uncovered
- Proceed with Request for Proposal for a master developer to determine if there is any interest to redevelop the area

According to research done by Colliers International and in discussion with industrial experts, the Oahu industrial vacancy rate for 1st quarter of 2023 dropped to 0.81% establishing another record low. This means demand for industrial use properties is high. Therefore, it is recommended that, instead of procuring a developer agreement for the 10 lots with one developer, DHHL should conduct public auction for the 10 lots for I-2 industrial leases in an expeditious manner.

One of the objectives of LMD is to create interest and offer properties for long term use of Hawaiian home lands under our general leasing program. The revenue generated from these long-term general leases support the homestead development program of the Hawaiian home lands Trust. In conjunction with publication of legal notices to auction public lands, LMD will initiate its leasing process and notify interest parties/trade organizations as well as the public at large who have expressed interest in leasing land from the department.

SELECTED PROPERTIES

Six of the ten properties are not encumbered and are free and ready for leasing. Two leases (GL S-4290 and GL S-4291) will expire in March 2025. Two leases (GL S-4124 & S-4125) will expire in October 2023.

Lot #	TMK	Land Area	Improvements	2023 Land Tax Assessed value	2023 Improvements Tax Assessed value
16	1-1-064:018	24,638 sf	Storage warehouse; 12,255 sf; built in 1970	\$3,697,900.00	\$649,600.00
17	1-1-064:019	25,000 sf	Warehouse; 14,300 sf; built in 1969	\$3,740,600.00	\$553,500.00
18	1-1-064:020	25,000 sf	Warehouse; 14,950 sf; built in 1969	\$3,740,600.00	\$742,700.00
19	1-1-064:021	25,000 sf	Warehouse; 6,885 sf; 2 storied office bldg.; 5,994 sf; built in 1970	\$3,740,600.00	\$670,800.00

20	1-1-064:022	25,000 sf	Storage warehouse; 13,075 sf; office bldg.; 2,350 sf; built in 1969	\$3,740,600.00	\$555,600.00
1	1-1-064:034	10,122 sf	Storage warehouse; 3,750 sf; office bldg.; 1,250 sf; built in 1971	\$1,594,200.00	\$403,500.00
2	1-1-064:035	10,153 sf	Storage warehouse; 6,250 sf; built in 1971	\$1,599,000.00	\$282,700.00
3	1-1-064:033	22,964 sf	Storage warehouse; 10,500 sf; built in 1971	\$3,305,700.00	\$731,200.00
4	1-1-064:032	21,448 sf	Storage warehouse; 11,100 sf; built in 1973	\$3,247,200.00	\$593,000.00
5	1-1-064:031	20,787 sf	Storage warehouse; 14,610 sf; 2 storied showroom bldg.; 3,200 sf; built in 1972	\$3,243,000.00	\$739,100.00

LMD will procure the services of an appraiser to conduct the upset fair market lease rent and the valuation of the improvements on site. The public auction will include a special provision for the applicant for the general lease to either purchase or lease the improvements from DHHL.

AUTHORIZATION

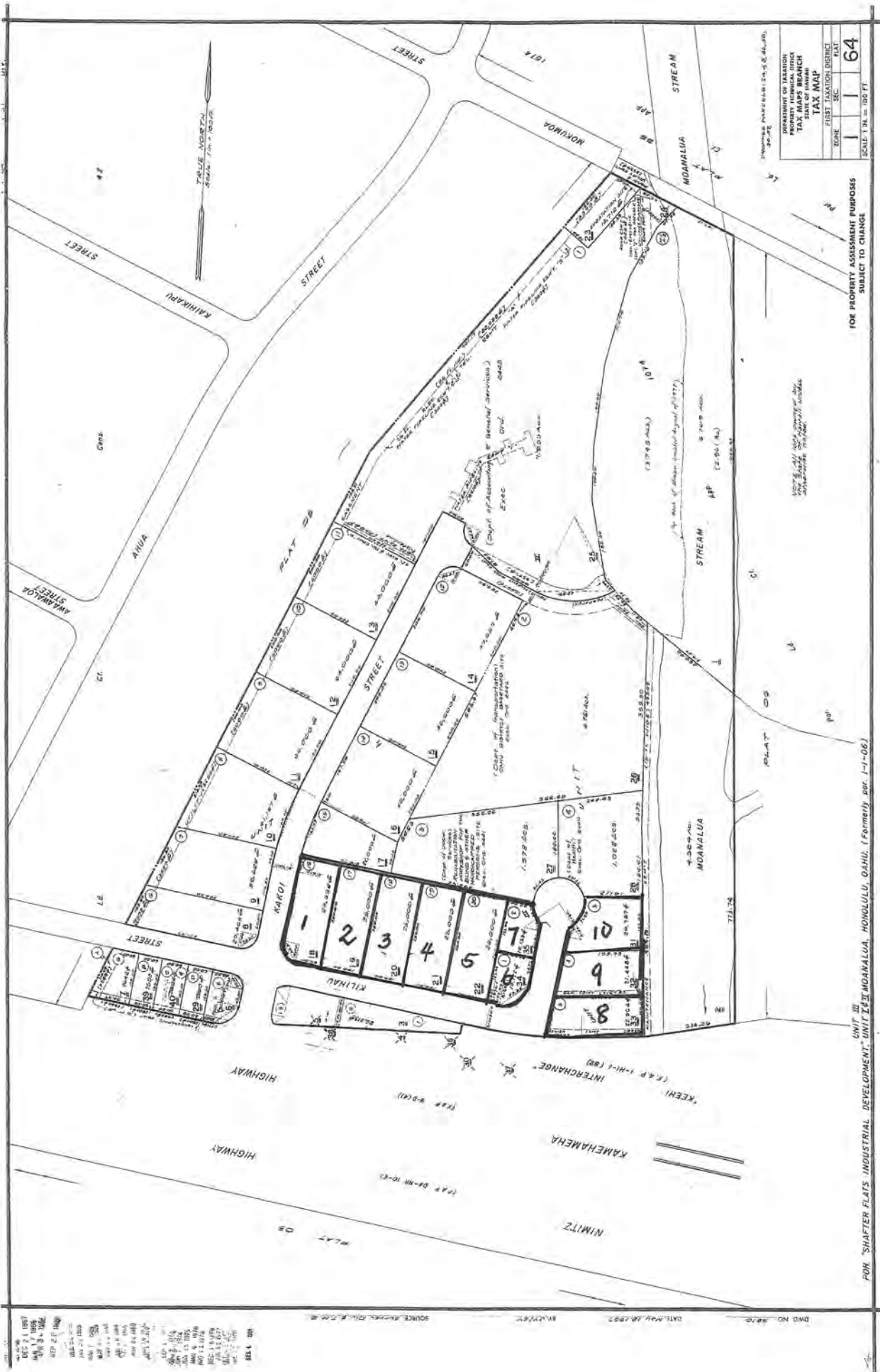
Section 204(a)(2) of the Hawaiian Homes Commission Act, 1920, as amended.

Sections 171-13, -14, -14.5, -16, , -17, and other applicable sections of Chapter 171, Hawaii Revised Statutes, as amended.

Section 10-4-1, Hawaii Administrative Rules

RECOMMENDATION

LMD requests approval of the motion as stated.



DEPARTMENT OF TAXATION PROPERTY TAXATION DIVISION TAX MAP	
PLAT	64
SECTION	1
SUBSECTION	1
SCALE 1 IN. = 100 FT.	

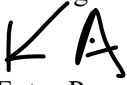
FOR PROPERTY ASSESSMENT PURPOSES
SUBJECT TO CHANGE

UNIT 11T MOANALUA, HONOLULU, OAHU. (Formerly, per. 1-1-06.)

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Peter "Kahana" Albinio, Jr., Acting Administrator
Land Management Division 

Subject: Approval to Issue Right-of-Entry Permit to EC Trucking LLC
Kalaeloa, Oahu; TMK: (1) 9-1-013:024(p)

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission grants its approval to issue a month to month right-of-entry permit (ROE) to EC Trucking LLC, a limited liability corporation, whose sole member is Carlene Maria for the use of Hawaiian home lands in Kalaeloa, identified as a portion of TMK:(1) 9-1-013:024, containing approximately 1.18 acres of land area, together with Building No. 2 containing approximately 4,900 square feet, and outlined in RED on the map attached hereto as Exhibit "A" and subject to the following conditions:

1. The Premises shall be used for office and storage of supplies, tools, and small equipment and parking of trucks, vans and other such vehicles in conjunction with PERMITTEE'S business. No stockpiling of any material such as rocks, concrete, construction debris, green waste and dirt shall be permitted.
2. RESIDENTIAL USE IS STRICTLY PROHIBITED.
3. Whenever possible all equipment containing fuels, oils, or other fluids that could contaminate that soil or ground water must be parked on a hard surface such as asphalt or concrete pavement or a drip pan shall be placed under each to prevent fluids from leaking onto the ground.
4. Except for minor emergency repairs, no repairing, fueling, drainage of fluids, painting, repairing, salvaging, parting, or scrapping of vehicles, equipment or materials shall be allowed on site.
5. PERMITTEE understands that this is a month-to-month permit to use Hawaiian home lands which can be terminated for any or no reason upon a 25-day advance written notice given by either party.
6. Monthly fee for the premises shall be set at NINE THOURSAND SEVEN HUNDRED NINETY-FIVE AND NO/100 (\$9,795.00) ONLY.
7. PERMITTEE shall be required to pay non-refundable processing and documentation fees of \$175.00 and place a security deposit equal to two months' rent. Initially the security deposit shall be \$19,590.00. PERMITTEE shall not earn any interest on the security deposit. If, upon vacating the Premises, PERMITTEE is in compliance with the terms and conditions of the right-of-entry

permit to be issued, the security deposit shall be refunded, less amounts deducted for non-compliance issues, if any.

8. PERMITTEE shall be responsible for the security of the permit premises and all of PERMITTEE'S personal property thereon.
9. PERMITTEE shall comply with all federal, state and county statutes, regulations, codes and ordinances applicable to PERMITTEE'S use of the premises.
10. PERMITTEE shall be responsible and pay for all costs of establishing utility services to the property and pay for all consumption of utilities on the Premises, should PERMITTEE'S use require such utility services.
11. PERMITTEE shall provide proof of and keep in full force a general liability insurance policy of no less than \$1,000,000.00 per occurrence, and \$2 million in the aggregate and an automobile liability insurance policy of no less than \$500,000.00 per occurrence, and \$1 million in the aggregate, if PERMITTEE operates any motor vehicle on the premises. DHHL shall be named as additional insured on the policy.
12. PERMITTEE shall keep the Premises neat and clean at all times and shall not allow trash to spread to other surrounding areas.
13. Upon termination of this Permit, PERMITTEE shall be responsible for any environmental cleanup of any contamination or hazardous materials brought onto the site or caused by PERMITTEE'S activities on the site.
14. Other standard terms and conditions of similar right-of-entry permits issued by DHHL.
15. The Right-of-Entry Permit shall be subject to the review and approval of the Department of the Attorney General.
16. Other terms and conditions deemed prudent by the Hawaiian Homes Commission may be added.

DISCUSSION

EC Trucking LLC is a domestic limited liability corporation whose sole member is Carlene P. Maria, wife of Edward Edwin Kaleoakalani Maria. Mr. Maria is a native Hawaiian beneficiary of the Hawaiian Home Lands Trust.

A check with the Department of Commerce and Consumer Affairs, Business Registration Branch, indicated that EC Trucing was incorporated on December 17, 2011, and is current on its corporate filings for 2022.

EC Trucking has been working with staff for a while for a parcel of land in Kalaeloa to relocate its trucking business. The identified parcel had a user before and the Permittee vacated in good standing. With this request, staff established the monthly fee as **\$9,795.00** and is calculated based on 8% rate of return on the 2023 county tax assessed value for the 1.18 acres of lands. PERMITTEE is required to place a two (2)-months security deposit and will provide the current liability insurance naming DHHL as additional insured.

EC Trucking is apprised of DHHL'S concern about possible soil contamination and forewarned that any unauthorized stockpiling will be cause for immediate termination of its use.

CHAPTER 343 – ENVIRONMENTL ASSESSMENT

The proposed use will utilize pre-existing improvements and does not significantly differ from the past use of the subject area. Therefore, pursuant to DHHL's updated Comprehensive Exemption List for the State of Hawaii, Department of Hawaiian Home Lands as approved by the Environmental Council as of April 6, 2021, the subject request is exempt from the preparation of an environmental assessment pusurant to Type 1, under Part I, titled De Minimis Activities, Type 1, "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

AUTHORITY

Section 10-4-1 of the Department's Administrative Rules, as amended, state in part that "...the department may lease, license or otherwise deal with any available lands as may not be immediately needed for the purposes of the Act as provided by Section 204(a)(2) of the Act and Chapter 171, HRS, upon such terms and conditions as to it may deem fair and reasonable."

Section 171-55, Hawaii Revised Statutes, as amended, titled Permits, states in part that "[the Hawaiian Homes Commission] may issue permits for the temporary occupancy of state lands or interest therein on a month-to-month basis under such conditions which will serve the best interests of the State..."

RECOMMENDATION

Land Management Division recommends approval of the motion as stated.



**HAWAIIAN HOMES COMMISSION
SEPTEMBER 18 & 19, 2023**

**G – ITEMS
PLANNING OFFICE**

STATE OF HAWAI`I
DEPARTMENT OF HAWAIIAN HOME LANDS

September 17-18, 2023

To: Chairman and Members, Hawaiian Homes Commission
Thru: Andrew H. Choy, Planning Program Manager *AC*
From: Lillie Makaila, Planner
Subject: For Information Only - Status Update on Plan
Implementation in the East Hawai`i Region to the
Hawaiian Homes Commission

Recommended Action

For information only. No action required.

Background

Per the directive of the Chairman, the Planning Office will be providing the Hawaiian Homes Commission (HHC) with updates of the respective DHHL geographic region in which the HHC conducts its monthly community meeting. The purpose of the monthly update is to provide the HHC with information related to prior policies and/or plans previously adopted by the HHC specific to that particular geographic region.

A status report of DHHL's progress in implementing these policies/plans is also included for the HHC's consideration. For September 2023, the Planning Office will be providing an update to the HHC for East Hawai`i.

Discussion

EXISTING PLANS & IMPLEMENTATION STATUS

Hawai`i Island Plan Policies Related to East Hawai`i.

The purpose of each DHHL Island Plan is to (1) assign land use designations for land holdings on each island, (2) establish land use goals and objectives of the General Plan

specific to each island, and (3) identify island-wide needs, opportunities, and priorities. The Hawai'i Island Plan was adopted by the HHC in 2002. The 2002 Hawai'i Island Plan delineated five planning regions on Hawai'i Island, North, East, South, West, and Central. (see maps, Exhibit A). For the purposes of this informational submittal, Planning Office will be focusing on the lands in the East and South regions.

Land Use Designation	Acres	Percent of Total
Residential	1,001	4.5%
Subsistence Agriculture	1,968	9.1%
Supplemental Agriculture	3,019	13.8%
Pastoral	7,832	35.7%
Community Use	90	0.4%
General Agriculture	4,970	22.7%
Commercial	346	1.5%
Industrial	364	1.6%
Conservation	240	1.2%
Special District	2,058	9.5%
TOTAL	21,888	100%

Hawai'i Island Plan Implementation Status

The Hawai'i Island Plan identified seven priority tracts for homestead development across the entire island. The priority tracts were further broken down into two development phases, a Phase I (priority) and Phase II. In the East and South Region, only the Lower Pi'ihonua tract was identified as a Phase I priority for new homestead development. The Pana'ewa tract in the East Region and the Wailau tract in the South region were identified as Phase II priorities for new homestead development.

Honomū

DHHL has initiated the planning and development process for new agriculture homesteads in its Honomū Tract in 2017. A Honomū Master Plan & Final Environmental Assessment was completed in 2019. Staff also requested HHC approval to amend the Hawai'i Island Plan land use designation for the DHHL Honomū tract. The original designation in the 2002 Hawai'i Island Plan for the Honomū tract was Supplemental Agriculture (756 acres) and was amended from Supplemental Agriculture to a

mix of land use designations including Subsistence Agriculture (417 acres), Community Use (10 acres), Conservation (250 acres), Commercial (3 acres) and Special District use (40 acres).

Construction of Phase I of the Honomū Subsistence Agriculture lots began in April of 2022 and is scheduled to be completed in early 2024. Phase II is currently in design. More about Honomū is covered in in Land Development Division's HHC Update.

King's Landing

At its February 2022 regular meeting, the Hawaiian Homes Commission adopted the recommendations of the HHC Investigative Committee on King's Landing (Exhibit A). One of the recommendations of the Committee was to:

"Conduct the necessary due diligence to identify if homesteading is a viable option considering sea level rise and other environmental concerns and the anticipated length of occupancy of the land by homestead lessees, which is 199 years with an approved lease extension...As part of the due diligence process, staff should render a recommendation to the Commission as to whether King's Landing should be set aside for award as kuleana homestead lots, consistent with section 10-3-30, Hawaii Administrative Rules (HAR)..."

Planning Office has begun the process to implement the Committee's recommendation by initiating a Kuleana Homestead Settlement Plan process for King's Landing in accordance with HAR 10-3-30. Planning Office contracted a consultant to conduct due diligence studies and prepare a Kuleana Homestead Settlement Plan for King's Landing as well as an Environmental Assessment in accordance with HRS 343. The Settlement Plan and Environmental Assessment process began in October 2022 and is anticipated to be complete in April 2024.

The Planning Office and consultant will be working closely with Mālama Ka `Āina Hana `Āina Inc. (MAHA), the organization representing beneficiaries that currently reside in King's Landing. In addition to working with MAHA, there will be opportunities for beneficiaries to participate in the planning process through DHHL Beneficiary Consultation meetings. The first of several beneficiary consultation

meetings is anticipated to begin in October 2023. A full update on the King's Landing Planning process is covered in Item G-3.

Hawai'i Island Plan Update

The Hawai'i Island Plan is in the process of an update. A consultant was selected and the project kick-off was in August 2023. Beneficiary consultation meetings with Hawai'i island beneficiaries are scheduled to begin in early 2024. A total of three (3) rounds of beneficiary consultations in each of the five (5) regions of Hawai'i Island are anticipated to gather input & guidance from beneficiaries. The update will likely take 24 months to complete and will include two briefings to the HHC, once with a draft of the update and once more with the final plan for HHC adoption.

Regional Plan Updates

The FY24 budget for the Planning Office includes funds to update three (3) regional plans on Hawai'i Island including two (2) regional plans in East Hawai'i, in addition to the on-going update to the Kawaihae Regional Plan which began in August 2023. Budget for the Waimea Nui, Maku'u and Keaukaha Regional Plan Updates was approved, and the procurement process will be initiated during third (3rd) quarter 2023.

Regional Plan updates typically take 12 months in total and include at least three (3) beneficiary consultations. These plan updates include the creation of a vision statement, community values, and the selection of priority projects for the region. Regional Plan Updates will come before the Commission twice, once in Draft format for information only and once in its Final format for adoption.

DHHL Regional Plans Implementation Status

There are five DHHL regional plans in the East Hawai'i region. The implementation status of each of these plans is described below.

Keaukaha Regional Plan

The *Keaukaha Regional Plan* was adopted by the HHC in December 2010. Outreach with beneficiaries in the region through the planning process identified one priority project, the Keaukaha Hawaiian Community Pavilion.

Maku`u Regional Plan

The *Maku`u Regional Plan* was adopted by the HHC in December, 2010. Outreach with beneficiaries in the region through the planning process identified the following priority projects:

- (1) Maku`u Farmers' Association Community Center
- (2) Maku`u Offsite Water System Phase 2
- (3) Sustainability & Renewable Energy Initiatives
- (4) Farm Plans, Capacity Building & Promotion of Agriculture
- (5) Lease Enforcement Provisions

Pana`ewa Regional Plan

The *Pana`ewa Regional Plan Update* was adopted by the HHC in January, 2017. Outreach with beneficiaries in the region through the planning process identified the following priority projects:

- (1) Project Kamoleao (12-acre community parcel)
- (2) Pana`ewa Park & Family Center Management
- (3) Agricultural Capacity Building - Marketing & Training Center

- (4) Traffic Calming & Safety Improvements on Railroad Avenue and Auwae Avenue
- (5) Hawai'i Island Plan Update for East Hawai'i

Ka`ū Regional Plan

The Ka`ū Regional Plan was adopted by the HHC in May 2012. Outreach with beneficiaries in the region through the planning process identified the following priority projects:

- (1) Create a Ka`ū Homestead Community Association
- (2) Obtain Additional Water for Homestead Lots in Kamā'oa, Pu'u'eo, and Wai'ōhinu
- (3) Protect and Preserve Cultural Sites & Natural Resources in Kamā'oa
- (4) Agriculture Homestead Leases at Wai'ōhinu and Pursue Partnership with DLNR for Hawaiian Homesteading

Kaūmana-Pi`ihonua Regional Plan

The Kaūmana-Pi`ihonua Regional Plan was adopted by the HHC in May, 2017. Outreach with beneficiaries in the region through the planning process identified the following priority projects:

- (1) Kaūmana-Pi`ihonua Community Center
- (2) Agriculture Sustainability - Community Pasture
- (3) Community Tool Shed and Work Days
- (4) Pest-Control Mitigation and Removal (Kaūmana Only)

East Hawai'i Regional Plan Implementation Statuses

Tables 2-6 below identify the "project champion" as well as summarizes the status of each regional plan priority project.

Table 2: KEAUKAHA REGIONAL PLAN PRIORITY PROJECT	PROJECT CHAMPION	STATUS
Keaukaha Hawaiian Community Pavilion	KCA	In-Progress. Conceptual design and drawings have been completed. NAHASDA assisted with NEPA EA. KCA would like to proceed with a pavilion by Puhi Bay as a first-step. DHHL to provide technical assistance as needed for pavilion. Last meeting between DHHL and KCA project representatives was in 2019 to discuss HRS 343 compliance.

Table 3: MAKU`U REGIONAL PLAN PRIORITY PROJECT	PROJECT CHAMPION	STATUS
Maku`u Farmers' Association Community Center - Site Preparation	MFA	In-Progress. Completed HRS 343 EA in 2011. MFA is seeking funds for community center construction.
Maku`u Offsite Water System Phase 2	DHHL	DHHL resumed discussion with Hawaii County DWS on a well development agreement. Project was in development, but put on-hold due to 2015 lava flow. DHHL resumed exploring a partnership agreement with the County and funding opportunities to support water development.
Sustainability and Renewable Energy Initiatives	MFA	Not started.
Farm Plans, Capacity Building, and Promotion of Agriculture	MFA	CTAHR technical assistance is available to Maku`u lessees via a CTAHR Extension Agent.
Lease Enforcement Provisions	DHHL	In-Progress. DHHL staff discovered 300+ abandoned vehicles on three (3) adjacent homestead lots in Maku`u in 2020. DHHL & the County partnered to remove these abandoned vehicles & debris that same year. Currently, there are several enforcement cases in varying stages of investigation in Maku`u. The Enforcement Unit continues to actively respond to all cases that come to their attention.

Table 4: PANA`EWA REGIONAL PLAN PRIORITY PROJECT	PROJECT CHAMPION	STATUS
Project Kamoleao	PHHLCA	In-Progress. HHC approved project FEA FONSI in September 2018.
Pana`ewa Park & Family Center	PHHLCA /DHHL / County Parks	In-Progress. HHC approved issuance of license with County Parks and Recreation in 2016 subject to the County working out a park use agreement with PHHLCA. County, DHHL, and PHHLCA held initial meeting in March 2017 to discuss agreement.
Agricultural Capacity Building Marketing and Training Center	KPFA / DHHL	In-Progress. UH-CTAHR CES agent has provided technical assistance and training to Pana`ewa agricultural homestead lessees. KPFA received a DHHL Regional Plan Priority Project Grant in FY 21 to develop a master plan for their farmer's market site and in FY 22 a grant to complete an EA for the master plan. KPFA also received federal funding for its farmers' market in 2022. KPFA submitted a land use request to DHHL to expand the area of its farmers' market from one (1) acre to 10.66 acres, the entirety of the DHHL parcel where the KPFA Farmer's Market is currently located. An ROE was approved by the HHC in January 2023 for due diligence. A Draft of the EA was brought to the HHC in March 2023 for information only. The Final EA was issued a Finding of No Significant Impact (FONSI) by this Commission in June 2023.

Table 4: PANA`EWA REGIONAL PLAN PRIORITY PROJECT	PROJECT CHAMPION	STATUS
Traffic Calming & Safety Improvements on Railroad Avenue and Auwae Avenue	DHHL / County / KPFA	KPFA conducted a meeting with County DPW-Traffic Division to assess options in addressing issue. DHHL sent a letter to State and County officials in August 2023 reminding them of the position that the HHC took in the adoption of the Pana`ewa Regional Plan update in 2017 regarding the beneficiaries' request that a Puna bypass or alternative route not be designed to go through an existing DHHL homestead community. Proposed Puna bypass routes have indicated the use of Railroad Ave, which would put undue stress on the existing homestead community, and increase traffic and safety hazards for homesteaders.
Hawai'i Island Plan Update for East Hawai'i	DHHL	In-Progress. Funds were budgeted in FY 23 to update the entire Hawaii Island Plan. The planning process for the update to the Hawai'i Island Plan began in August 2023 and is scheduled to be completed in 24 months. Beneficiary consultations will begin in early 2024 and are scheduled to include three (3) rounds of consultation with East Hawai'i beneficiaries.

Table 5: KA`Ū REGIONAL PLAN PRIORITY PROJECT	PROJECT CHAMPION	STATUS
Create a Ka`ū Homestead Community Association	Ka`ū Beneficiaries	Completed. The Ka`ū Hawaiian Homestead Association was created in 2013 and received IRS 501c3 status.
Obtain Additional Water for Homestead Lots in Kamā`oa, Pu`u`eo, and Wai`ōhinu	DHHL	In-Progress. DHHL completed Ka`ū Water Assessment. DHHL received \$1.5 million in CIP funds from legislature in FY 19 for plan, design, and construction. DHHL Phase 1 improvements are in progress and scheduled to be completed in December 2023. Phase 1 includes a storage tank and filling station. Phase 2 has been contracted for design and archaeological work. Future phases will be necessary to install water laterals and meters for each of the 25 pastoral homesteaders located along South Point Road.
Protect and Preserve Cultural Sites and Natural Resources in Kamā`oa	DHHL/Ka`ū	In-Progress. South Point Resources Management Plan was adopted October 2016. HHC approved FONSI for plan May 2018. HHC approved \$100k for South Point management in FY 22 budget. DHHL issued a procurement solicitation for security services at South Point in 2019 & 2020. No interested offerors submitted proposals for the solicitation. DHHL contracted an archaeological firm in 2021 to assist with developing a Standard Operating Procedure for community stewardship of Pu`u Ali`i Burial Mound. SOP expected to be completed in late 2023.
Agriculture Homestead Leases at Wai`ōhinu	DHHL	In-Progress. The BLNR approved transfer of 380-acre Wai`ōhinu parcel to DHHL via executive order in February 2018. Executive Order transfer to DHHL from DLNR completed and DHHL assumed day-to-day management of parcel in 2021. HHC approved a ROE Permit to the KHHA for agriculture education programs in May 2022 for a 5-acre portion.

Table 6: KAŪMANA-PI`IHONUA REGIONAL PLAN PRIORITY PROJECT	PROJECT CHAMPION	STATUS
Kaūmana-Pi`ihonua Community Center	Kaūmana & Pi`ihonua Associations and DHHL	In-progress. Kaūmana and Pi`ihonua communities looking at pursuing funding opportunities and potential sites.
Agriculture Sustainability - Community Pasture	Kaūmana & Pi`ihonua Associations and DHHL	In-progress. Pi`ihonua association has been consulting with the Molokai community pasture group. Kaūmana and Pi`ihonua submitted land use request to DHHL in 2021 for community pasture area identified in the regional plan. Request being reviewed by DHHL staff.
Community Tool-Shed and Work Days	DHHL	Not Started.
Pest-Control Mitigation and Removal (Kaūmana Only)	Kaūmana Association	Not Started.

Recommendation

For information only. No action required.

STATE OF HAWAI`I

DEPARTMENT OF HAWAIIAN HOME LANDS

September 18 - 19, 2023

To: Chairperson and Members, Hawaiian Homes Commission
(HHC)

From: Andrew Choy, Planning Program Manager AC

Subject: For Information Only: East Hawai`i Water Issues and
Projects Update

I. RECOMMENDED MOTION/ ACTION

None; for information only.

II. Introduction

This submittal to the Hawaiian Homes Commission ("HHC") provides an update of water issues and projects of significance to beneficiaries and the Department of Hawaiian Home Lands ("DHHL") on the East side of the island of Hawai`i. It is submitted in furtherance of the HHC Water Policy Plan (WPP) Goal 1, to "Affirmatively communicate with beneficiaries regarding water decisions, performance, and water rights on a regional and annual basis.

A number of water related matters are proceeding across the island of Hawai`i. Some water matters will be addressed in other reports to the HHC and community. This submittal focuses on three matters: III. Update on the Wailuku River proposed state water leases; IV. Update on proposed state water leases in Ka`ū; and V. Matters related to proposed exploration and use of deep confined ground water on Hawai`i Island.

III. Update on the Wailuku River (Hilo) proposed state
water lease

In previous submittals on East Hawai`i water projects and issues, the HHC and beneficiaries have been briefed on a long standing request by the Hawai`i Electric Light Company (HELCO) to secure a long-term lease of water from

the state to continue to operate these plants. As HELCO has sought to convert their revocable permits to long term leases under HRS § 171-58, DHHL has worked to protect related rights held by the HHC, DHHL, and beneficiaries. HRS section 171-58 (g) requires that:

The department of land and natural resources shall notify the department of Hawaiian home lands of its intent to execute any new lease, or to renew any existing lease of water rights. After consultation with affected beneficiaries, these departments shall jointly develop a reservation of water rights sufficient to support current and future homestead needs. Any lease of water rights or renewal shall be subject to the rights of the department of Hawaiian home lands as provided by section 221 of the Hawaiian Homes Commission Act.

The DHHL and its beneficiaries have three distinct interests when proposed water leases under HRS § 171-58 are sought by private parties and considered by the BLNR:

- First, DHHL has a right to have water reserved for its future use before any lease is issued.
- Secondly, our beneficiaries may exercise constitutionally protected traditional and customary practices relate to the water that the state seeks to lease.
- Third and finally, there is a constitutional right to thirty percent (30%) of the revenue generated by water leases.

DHHL staff and consultants have been working closely since 2016 with our beneficiaries, staff from the Department of Land and Natural Resources (DLNR), and other potential lessors in order to protect all these rights, with some but not complete success. These actions and outcomes are described respectively below:

Water reservations. A water reservation set aside is a set aside of water for current and foreseeable development and use, in this case by DHHL. On August 15, 2017, a Beneficiary Consultation Meeting was held in Hilo to discuss HELCO's desire to continue to use the water to operate the two hydroelectric plants at lower Pi'ihonua.

The Beneficiary Consultation Report & Recommendations for DHHL's water reservation was approved by the HHC at its October 2017 meeting. This surface water reservation was considered by Commission on Water Resource Management (CWRM) and was approved on March 17, 2020, for 1.6 mgd.

Traditional and customary rights that may be impacted by the proposed lease. In the particular case of the water lease sought, DHHL is currently unaware of any such practices, or rights associated with these practices, that could be affected in relationship to the significant abundance of water in this River. The published final Environmental Assessment developed by HELCO was reviewed by DHHL and identified no such rights. DHHL does not anticipate any particular actions in this instance on that issue.

30% of water lease revenue. DHHL extensively discussed with HELCO how DHHL is entitled by Constitutional provision to 30% of the revenue generated by state water leases (Hawai'i Constitution Article XII Section I). DHHL has advocated for a costs-avoided method whereby charge for the license would be a function of the amount HELCO saves by using hydroelectric sources rather than another source. In August of 2022, the Board of Land and Natural Resources (BLNR) considered the long-term lease and DHHL requested a contested case hearing (CCH) on the matter. The BLNR denied the CCH request at that hearing and approved the lease.

The manner in which the BLNR set the lease revenue excluded a charge for watershed management from being part of the base rent. Subsequently to the denial of our CCH, DHHL has requested from the Attorney General an opinion regarding the exclusion of that revenue from being part of what is due to DHHL.

IV. Update on proposed state water leases in Ka`ū

In the same process under state law described above, private land owners and water users have been seeking the conversion of revocable permits to long term leases for various water sources emanating from state lands in Ka`ū. A beneficiary consultation report and authorization to seek reservations of water for DHHL lands was accepted and passed by the HHC in October 2019. See Submittal G-3 from

the October 2019 HHC meeting, available at <https://dhhl.hawaii.gov/wp-content/uploads/2019/10/October-21-22-2019-HHC-Meeting-PACKET-East-Hawaii-reduced-1.pdf>.

The Covid-19 Pandemic, loss of water staff, shifting priorities in the Land Division of DLNR, and other matters led to a long stall on progress towards issuing these leases. Given the long time laps, the Planning Office intends to renew beneficiary outreach on these matters prior to requesting the needed reservations from CWRM.

V. Matters related to proposed exploration and use of deep confined ground water on Hawai'i Island.

Native Hawaiians have long known that on Hawai'i Island and elsewhere in the archipelago, groundwater is not only found in a single layer of water below ground, but is held also high in the mountains and emerges as springs, as well as far below ground and emerges off shore in the ocean. As May Kawena Pukui recorded in her collected 'Ōlelo No'eau (1887):

**Ku ka hale i Punalu'u, i Ka-wai-hū-o-Kauila
The house stands at Punalu'u, at the gushing water of
Kauila**

Said of one who has found peace and comfort at last.

Ka-wai-hū-o-Kauila is a spring, the gift of a turtle goddess to the people of Punalu'u, Ka'ū, Hawai'i. The people of that locality feared the cannibal woman Kaikapū, who lived near their best springs. In order to avoid her and obtain water, they dived to the sea floor where fresh water bubbled up - hence the name Puna-lu'u (Water-dived-for). Seeing their difficulty, a turtle goddess created this spring.

Recent scientific and exploratory work on Hawai'i Island has confirmed the presence of fresh groundwater confined in layers deep below salt water in Hilo as well as North Kona, and there is speculation it may exist in other parts of Hawai'i Island. See for example "UH Sheds New Light on Hawai'i's Groundwater Flow" at <https://research.hawaii.edu/noelo/paradigm-shift/>

At least two separate efforts have been pursued to exploit this resource. The County of Hawai'i has been pursuing development of a municipal water well in North Kona to utilize this resource and published a final Environmental Assessment for the project (https://files.hawaii.gov/dbedt/erp/Doc_Library/2020-11-23-HA-FEA-North-Kona-Mid-Level-Exploratory-Well.pdf). In addition, two separate efforts have been proposed and withdrawn to extract water from the deep confined source in Hilo for commercial water bottling purposes (see <https://www.hawaiitribune-herald.com/2023/07/18/hawaii-news/group-pulls-plug-on-hilo-bottling-plant/>).

The CWRM currently does not have any separate regulatory process for exploiting these sources different from other "conventional" ground water sources in Hawai'i, and has no express mechanism for reserving or enforcing DHHL rights to this resource.

VI. RECOMMENDED MOTION/ACTION

None; for informational only.

STATE OF HAWAI'I
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023

To: Chairman and Members, Hawaiian Homes Commission

Through: Andrew H. Choy, Planning Program Manager *AC*

From: Julie-Ann Cachola, Planner *JAC*

Subject: G-3 Update on the King's Landing Kuleana Settlement Plan and Environmental Assessment Process - For Information

RECOMMENDED MOTION/ACTION

None; for information only.

DISCUSSION

Location: DHHL's Keaukaha Tract II, also known as "King's Landing," is located on the border of Hilo and Puna in Keaukaha, in the ahupua'a of Waiākea, in the moku of Hilo on Hawai'i Island. The Hawaiian Homes Commission Act of 1921 included 2,000 acres, more or less, in Waiākea-Kai, or Keaukaha. The Keaukaha lands are divided into 2 tracts: Keaukaha Tract I which included approximately 290 acres; and Keaukaha Tract II which included approximately 1,340 acres of land (see Figure 1).

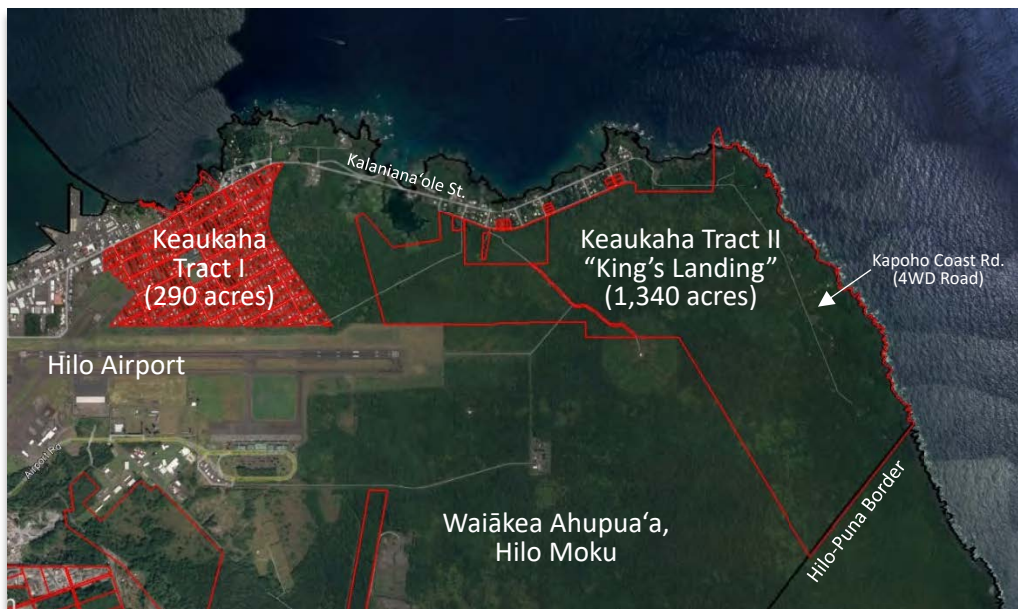


Figure 1: Keaukaha Tract I and II

The King's Landing Kuleana Homestead Settlement Plan focuses on approximately 1,340 acres of land, including TMKs (3) 2-1-013:001; 007: 008; and 149. Access to King's Landing is through Kalaniana'ole Street which turns into the Kapoho Coast Road near Lehia Beach Park and continues into King's Landing for several miles, parallel to the coastline. The Kapoho Coast Road provides four-wheel drive vehicles with access to King's Landing.

Rehabilitation has Time Limits:

Current settlement in King's Landing began in the 1960's when Lily Puana, lifetime resident of King's Landing invited Bill Pakani to live at Waiokawa. In 1981, Keli'i "Skippy" Ioane moved his 'ohana into Waika'alulu. They are both native Hawaiian beneficiaries. They built their own homes, cultivated the land around their homes, and utilized the ocean and shoreline resources to provide food for their families. The DHHL issued an eviction notice to Pakani in 1977 and Skippy received an eviction notice in 1982.

In response to his 1982 eviction notice, Skippy wrote a letter to DHHL explaining that "because of his high number on the waiting list, and the Department's slowness in placing Hawaiians on the land, we placed ourselves here." He explained that the Hawaiian Home Lands' "rehabilitation" program of providing homestead leases was not in sync with the life stages of the beneficiary. He noted that placing a beneficiary on the land needs to occur when the beneficiary has the mind, body, and spirit to build a house and cultivate the land.

The Department's practice of receiving homestead applications, then letting the applicant wait before a homestead lease is issued, prevents rehabilitation from occurring in a timely manner. Further, it is unrealistic to award a homestead lease to a person in his 60's or 70's and expect the same rehabilitation benefits if the lease was awarded when the beneficiary was in his 30's or 40's. The most egregious result of DHHL's practice of allowing applicants to wait for a lease award is that there is an increased likelihood that the applicant may die while on the Waitlist. If the Applicant dies while on the waitlist and his child is less than 50% Hawaiian blood, the child will not be able to succeed to the Applicant's place on the waitlist. The applicant will not be able to leave his Hawaiian descendants the legacy of a Hawaiian Home Lands lease.

When Skippy moved his family to King's Landing in 1981, he was 30 years old. At that age, his body, mind, and spirit were in peak condition. He was able to build his home, fully outfitted with lights, toilet, hot water shower, refrigerator, stove, running water, and he set up a C.B. Radio to facilitate communication (before cell phones). He cultivated the land around his home to grow healthy food for his family, and he was a master fisherman who could feed the entire village on a good day. He was able to restore his connection to 'āina. He was able to do this because he was on the land when he was at the peak of his physical abilities. Moreover, since he was active

while his children were growing up, he was able to pass on his knowledge and practices to his children and mo'opuna. Skippy and Carol Ioane raised 6 children and their first mo'opuna at Waika'alulu. Now his children have taken on the kuleana of serving as officers and board members of MAHA. Skippy and many of the early settlers now sit on the Kūpuna Council.

Alternative Development Models (ADMs)

The concept of Kuleana Homestead Leases originated in the 1983 Report of the Federal State Task Force (FSTF) on the Hawaiian Homes Commission Act. The FSTF report recommended that "Alternative Development Models (ADMs) be explored by the Department. These ADMs would operate under the following assumptions:

1. Given areas where a large demand for awards exists and limited amounts of DHHL parcels are available, some beneficiaries might prefer a specific location of an award over the type of housing that is developed; under these circumstances, such ADMs as cluster housing on smaller lots with common open space should be considered (FSTF 1983, 26);
2. If full-scale funding is not available in a timely fashion, such ADMs as awards of raw land with waiver of water requirements should also be explored as part of the acceleration of awards program (FSTF 1983, 27); and
3. While the present waiting list system functions adequately for current programs, modifications to the system may be necessary to serve ADMs (FSTF 1983, 28).

ADMs are intended to broaden the range of options for beneficiaries, while also reducing development costs for the Department. Components of development are modified and/or combined to create alternatives, including level of land improvements, types of housing, types and levels of financing, and the level of beneficiary participation in development.

The Kuleana Homestead Program

The concept of the Kuleana Homestead Program was largely based on the insights and experiences that Skippy Ioane went through. In 1998, the Kuleana Homestead Program was codified in Administrative Rules, Section 10-3-30. The programmatic goals of Kuleana Homestead Program include:

1. **Accelerate award of homestead leases** by providing a homestead alternative that places native Hawaiian beneficiaries on the undeveloped land when they are young enough to physically be able to actively utilize the land they have settled on.
2. **Maximize the potential of DHHL's land use authority** and resources in order to help beneficiaries avoid unnecessary obstacles by opening **new pathways to provide homestead awards** to beneficiaries who cannot qualify for conventional homestead awards or who

choose not to be indebted to a financial institution for the next 30-years.

3. **Minimize DHHL development costs and development time** by providing minimal infrastructure and by relying on beneficiary development of individual lots.
4. **Activate traditional relationships to 'Āina** as with traditional kuleana land awards where the granting of land carries with it, the responsibility to respect and care for the land. In return for wise stewardship, the land provides sustenance, well-being, cultural connection and continuity. It deepens our ancestral relationship and knowledge of 'āina, wahi pana, place-based resources and management practices that are essential to sustain life over time.
5. **Strengthen the relationship between the trust and its beneficiaries** and empower beneficiaries with higher levels of individual and communal responsibilities.
6. **Focus on helping the beneficiary** - Minimize infrastructure costs by allowing settlement of land without improvements such as electricity, water lines, sewer systems, paved roads, and other conventional "on-grid" utilities associated with urban subdivisions.

Kuleana Homestead leases are designated for unimproved available Hawaiian Home lands. Available Hawaiian Home lands may be selected for kuleana homestead leases by the commission because of excessive costs to develop the tract, due to such factors as:

- Physical characteristics of the land
- Distance from existing utilities

Commission determination for the King's Landing Tract to be set aside for award as kuleana homestead lots were due to:

- Physical characteristics
- Excessive cost to develop
- In previous DHHL plans
- Malama Ka 'Āina Hana Ka 'Āina (MAHA) interest
- Suitable for immediate access

The Kuleana Homestead Settlement Plan

The Administrative Rules require DHHL, together with interested applicants, to develop a plan for settlement and development of the designated tract, for approval by the HHC. The Settlement Plan will include:

- Location and description of the tract;
- Approximate size and number of lots to be awarded;
- Approximate location of community center and common areas;
- Preliminary conceptual proposals for community management and economic development of adjacent department lands, if applicable;

- Plan for the identification, protection and preservation of all significant historical, archaeological, and biological sites; and
- Settlement timetable to commence after the award of the lots

The purpose of the King's Landing Kuleana Homestead Settlement Plan is to create a settlement plan and go through the necessary permitting process to secure land at King's Landing for subsistence agriculture living. This project is intended to carry out the mission of the DHHL to effectively manage the Hawaiian Home Lands Trust and to develop lands for native Hawaiians. The planned Kuleana Homesteads Settlement will allow for the beneficiaries to continue the practice of agriculture, explore new opportunities that only this environment could provide, and provide beneficiaries with the security they need to pass on their lands to the next generation. It will also include Community Use areas to promote community cohesion and provide opportunities to expand economic opportunities.

Update on Ongoing and Completed Work

G70, in collaboration with DHHL and MAHA has begun work necessary to create a settlement plan and an Environmental Assessment (EA). This work includes:

- An on-site meeting with the MAHA community to explain the Kuleana homesteading process;
- An aerial survey;
- The Honuiaiākea report;
- A noise study;
- A biological survey;
- An archaeological survey; and
- An economic opportunities report.

An aerial survey was conducted by Resource Mapping Hawai'i (RMH) on December 4th, 2022. This survey consisted of gathering a series of high-resolution aerial images of the project area. This aerial imagery was used by G70 for further analysis on the place.

The Honuiaiākea report with the Edith Kanaka'ole Foundation was conducted on January 28th and 29th to create a foundation for which the rest of the project can be built from. This report includes the community's analysis of chants (oli), mele (songs), and ka'ao (myths and stories) to create *Kapu* and *Kānāwai* that describe the foundational natural resources of that area and how one is to conduct themselves in ways that protect those natural resources in perpetuity.

The biological survey conducted by G70's subconsultant, AECOS, as well as the archaeological survey conducted by G70's subconsultant, Honua Consulting, were conducted between June 5th-June 9th to identify biological and archaeological resources on the property.

A noise study was conducted due to the project area's proximity to the Hilo International Airport and consisted of G70's subconsultant, Yoichi Ebisu, working with MAHA members measuring noise levels from 12am-11:59pm between the dates of June 26th-27th.

Lastly, an Economic Opportunity report is being prepared after G70 principal Kawika McKeague and G70's subconsultant from Sustain Hawai'i met with the MAHA community and discussed possible economic opportunities for the area.

G70 will be holding a 2-Day Lot Plan charette planning session with MAHA on October 7th and 8th followed by this project's first Beneficiary Consultation meeting at Keaukaha Elementary School Cafeteria for the Hilo Community. DHHL and G70 will present the King's Landing Settlement Plan, and lot layout, along with all the work that has been conducted so far.

The 2nd Beneficiary Consultation meeting will be held in February 2024 to present the final settlement plan and Draft EA. The anticipated date of completion for the Final EA and approval by the Hawaiian Homes Commission is April 2024.

King's Landing Chronology of Events

YEAR	EVENT
1960s	Lily Puana, lifetime resident of King's Landing invites Bill Pakani to live at Waiokawa. Pakani receives verbal permission from Hawaiian Homes Commissioners to improve the area. He improved the road, cleared land, planted food for his family. His interest was to be an example of a Hawaiian who could make something out of nothing.
1977	Bill Pakani received an eviction notice from DHHL.
1981	Keli'i "Skippy" Ioane moves his 'ohana into Waika'alulu. With his grandfather's support and guidance, Skippy hand-cut the trail into Waika'alulu. At the area of their future home site, Skippy's grandfather offered a pule to the land the spirits of the space, asking permission for Skippy to raise his 'ohana there on the 'āina.
1982	<p>Skippy received an eviction notice from DHHL. He sends a letter of response to DHHL inquiring about his lease options and explaining his rationale for settlement. "Because of our high number on the waiting list and the Department's slowness in placing Hawaiians on the land, we placed ourselves here." The Department's slowness in placing Skippy on the land was hampering the natural process of rehabilitation within the timeframe of his body. He felt it was wrong that a government agency charged to implement an Act would be allowed to effectively block the implementation of the Act.</p> <p>The HHC visited Skippy and Pakani at their homes. They were told that leases could not be offered because a management plan for Keaukaha Tract II did not exist.</p>
1983	Skippy and Pakani established Mālama Ka 'Āina, Hana Ka 'Āina Inc.(MAHA), a democratically elected self-governing body that governs the Hawaiian beneficiary interactions in King's Landing.
1984	On July 27, 1984, the HHC authorized the Chairman to issue a Right-of-Entry permit to MAHA for use of King's Landing, until a management plan for King's Landing was completed and accepted. ROE No. 76 was issued on September 26, 1986.
1985	The Protect Kaho'olawe 'Ohana, on behalf of MAHA, applied for and received a grant from DHHL's Native Hawaiian Development Office to prepare a Management Plan for King's Landing. MAHA contracts Palapala, Ink to prepare the management plan.
1986	Palapala, Ink surveys each household to get socio-economic data, house conditions, infrastructure, and

YEAR	EVENT
	engages MAHA members in monthly educational planning workshops.
1987	On February 5, 1987, Palapala Ink submitted "Subsistence Homesteads: A Community Management Plan for Department of Hawaiian Home Lands, Keaukaha Tract II"
2000	On February 29, 2000 the HHC authorized the Chairman to issue a new ROE permit to MAHA for use as an alternative lifestyle settlement.
2020	The Kūpuna Council is formed to help transition leadership roles to their keiki, who are now adults.
2021	MAHA requests a meeting with the HHC. The HHC forms a Special Investigative Committee to investigate the issues at King's Landing. The Special Investigative Committee tours King's Landing and meets with MAHA's Board.
2022	<p>The HHC Investigative Committee on King's Landing reports to the HHC. The report includes a Proposed Four Phase Plan</p> <ol style="list-style-type: none"> 1. Begin the process to identify if homesteading is a possible (viable) option for King's Landing, considering environmental concerns like sea-level rise. 2. Discuss with MAHA a new-short term land agreement (disposition). 3. To receive the new land agreement, MAHA must fully understand that relocation "transition" is highly likely and that MAHA participates in the transition. For example: <ol style="list-style-type: none"> a. If the Commission selects kuleana homestead lots, environmental concerns may require that current occupants relocate. b. The award process must consider the Hawaii Island waitlist. There is no guarantee that the current residence will receive a lease. Relocation will be necessary. c. If Kuleana and residential homesteading is not selected, the existing occupants will require relocation. 4. Creation of a King's Landing Phase 2 Committee <p>July 2022 DHHL's Planning Office contracts G70 to develop: 1) The King's Landing Kuleana Homestead Settlement Plan, pursuant to Hawai'i Administrative Rules (HAR) Title 10 Chapter 3, Section 10-3-30; and 2) An Environmental Assessment pursuant to Chapter 343, HRS.</p>

STATE OF HAWAI'I
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18-19, 2023

To: Chairman and Members, Hawaiian Homes Commission

From: Andrew H. Choy, Planning Program Manager *AC*

Subject: For Information Only - Lessons Learned from Kulia I Ka
Nu'u Program and Other Homestead Community Development
Pilot Programs

Recommended Action

None for information only.

Background

Kulia I Ka Nu'u

With the HHC approval of the Native Hawaiian Development Program Plan 2009-2011, DHHL established the Kulia I Ka Nu'u (Strive for Excellence) Program in 2009 to increase its investments in building the capacity of homestead associations. The program's purpose and goals were to:

- Build a foundation for sustainability and economic self-sufficiency for Homestead Associations;
- Enhance and strengthen homestead leadership capacity; and
- Increase networking and mentoring among homesteads and beneficiary organizations.

The Kulia I Ka Nu'u Program was designed as a graduated approach to building organizational capacity for homestead associations and beneficiary organizations to carry out their programs and services to address community needs. Program supports were provided in the form of (1) **trainings, technical assistance, conferences** (2) **funding (grants)**, and (3) **land parcel awards** in ways that were appropriate to the development stage of the homestead association as well as its existing and proposed programs, projects, and activities.

- **Training.** Trainings were provided to program participants including basic non-profit organizational training, advanced technical training, and leadership development.

- **Technical Assistance.** Technical assistance involved services such as developing organizational assessments, strategic planning, organizational and venture development coaching, and master planning.
- **Conferences.** Homestead leaders were provided the opportunity to exchange ideas, information, and to make new connections at DHHL Annual Leaders Conferences. In addition, DHHL also provided beneficiaries with scholarships to attend other local conferences related to community economic development.
- **Grants.** DHHL complemented the above capacity building support with four types of grants to homestead associations - (1) Capacity building; (2) Project implementation; (3) Regional Plan Priority Projects and (4) Community Economic Development.
- **Land Parcel Awards.** Associations received a long-term disposition (license or general lease) from DHHL during the Kulia I Ka Nu'u Program.

Pilot Projects Related to Community Economic Development

Kulia I Ka Nu'u ended in January 2012 when the Hawaiian Homes Commission voted to reallocate funding for the program through the adoption of the updated 2012-2014 Native Hawaiian Development Program Plan. Commissioners cited beneficiary desire at the time for more training and technical assistance (**Exhibit A**). At the time that Kulia was phased out, a handful of community associations were continuing to pursue conceptualization and planning of a community economic development project within their region anticipating the continuation of the Kulia I Ka Nu'u Program and the financial resources it provided for due diligence studies and award of long-term disposition. Without a community economic development program in place, however, DHHL has not had a comprehensive program to provide these community associations the assistance necessary to move forward.

In 2015, the HHC voted to authorize the Chairman to undertake a pilot project with the Waimea Hawaiian Homestead Association in which DHHL would conduct due diligence, planning, feasibility, environmental assessment, and subdivision application in collaboration with the Waimea Hawaiian Homestead Association (WHHA) covering a portion of a 161-acre property in Waimea. It was believed that the completion of these due diligence activities that the WHHA would be able to solicit funding from private and public sources to complete the design

and construct the first phase of its community economic development initiative.

DHHL completed an evaluation of the pilot project with WHHA (**Exhibit B**). The evaluation identified strengths and weaknesses of the pilot project. Based on the strengths and weaknesses of the pilot project, the evaluation made the following recommendations for DHHL community economic development going forward if community economic development projects are identified as a high priority by the Hawaiian Homes Commission:

1. Community visions need to be clearly articulated and defined before the technical elements of the planning process begin (i.e. environmental assessment, procurement process, entitlement process, etc.). Once the planning process is in motion, perhaps individual objectives may change, but the original vision should not.
2. A high priority for community economic development will require a higher level of DHHL investment in community development initiatives going forward. This investment can come in the form of time, money, and/or political action (i.e. grant writing and lobbying the Legislature to obtain funds).
3. A high priority will require more dedicated DHHL staff for community development projects.

Managing too many projects simultaneously results in communication issues between Managers and Communities as well as delays in moving the processes forward in a timely manner. Moreover, by positioning community development initiatives as "side projects," there is high potential for homestead communities to adopt a negative view of the Department because their initiative is not being treated as a priority.

The requirements of this position would likely be:

- i. Experience with property management.
 - ii. Understanding of the entitlement process as it relates to development (ex. Chapter 343).
 - iii. Experience with grant monitoring and/or grant writing.
 - iv. Previous work with not-for-profit organizations.
4. DHHL should implement guidelines and procedures for future community development projects. Clarity in the process will likely decrease the amount of work that has to be redone following the Department's review. The logic model should be a starting point, because it clearly defines roles and

responsibilities. Likewise, a flow chart communicating the necessary steps in the development process should also be provided to every community considering an economic development project.

5. DHHL should be involved with community projects from the beginning, especially when they are larger in scale. Its role does not always have to be active; however, the Department should at the very least enact periodic check-ups on community development initiatives to increase accountability and insure appropriate progress.
6. DHHL should connect communities with the appropriate type of resources early in the planning process. Having technically trained professionals on a development team will guide communities towards best practices and help them make strategic decisions from the beginning. Examples include: i) paving a winding road instead of a straight road to prevent speeding, ii) limiting the height of buildings due to airport requirements, iii) strategically placing buildings based on the location of water sources, etc.
7. As a part of standard practice DHHL should include teaching opportunities overall as well as within a project's budget. This includes community training sessions and capacity building seminars as well as the acceptance of mistakes along the way.

Recommendation	Implementation Status
<p>Community visions need to be clearly articulated and defined before the technical elements of the planning process begin.</p>	<p>Since 2017, DHHL has been incorporating community vision statements in each of its updated Regional Plans. Proposed community economic development projects.</p>
<p>A high priority for community economic development will require a higher level of DHHL investment in community development initiatives going forward. This investment can come in the form of time, money, and/or political action (i.e. grant writing and lobbying the Legislature to obtain funds).</p>	<p>Hawaiian Homes Commission has approved sufficient sums budget request to the Legislature which includes community economic development initiatives.</p> <p>HHC has approved annual amounts of funding in the Planning Office budget to assist community associations with the technical planning studies to initiate community development projects. Funds are usually included in the Planning Office budget as “grants” and “technical assistance.”</p>
<p>A high priority will require more dedicated DHHL staff for community development projects.</p>	<p>Not implemented.</p> <p>DHHL has not allocated a full-time employee (FTE) to provide these types of specialized services. Currently, community economic development requests from homestead associations are handled by various staff in the Planning Office and Land Management Division in addition to the other kuleana that these staff have.</p>
<p>DHHL should implement guidelines and procedures for future community development projects.</p>	<p>Partially implemented. See proceeding section in this report, “Current Guidelines and Procedures.”</p>

Recommendation	Implementation Status
<p>DHHL should be involved with community projects from the beginning, especially when they are larger in scale. Its role does not always have to be active; however, the Department should at the very least enact periodic check-ups on community development initiatives to increase accountability and insure appropriate progress.</p>	<p>Implementation of this recommendation has been inconsistent due to varying degrees of different staff availability and capacity as well as capacity of community associations.</p> <p>Staff have made themselves available at the request of community associations but more proactive “check-ups” should be conducted. Having a full time staff person dedicated to this function would better ensure proactive “check-ups”.</p>
<p>DHHL should connect communities with the appropriate type of resources early in the planning process. Having technically trained professionals on a development team will guide communities towards best practices and help them make strategic decisions from the beginning.</p>	<p>HHC has approved annual amounts of funding in the Planning Office budget to assist community associations with the technical planning studies to initiate community development projects. Funds are usually included in the Planning Office budget as “grants” and “technical assistance.</p>
<p>As a part of standard practice, DHHL should include teaching opportunities overall as well as within a project’s budget. This includes community training sessions and capacity building seminars as well as the acceptance of mistakes along the way.</p>	<p>Not implemented.</p>

Current Procedures and Guidelines

Exhibit C illustrates the general process DHHL has been following when working with community associations on implementation of their community economic development project since 2016. Exhibit C has been included in all updated DHHL regional plans since 2016 as a guide.

The steps of this process have been incorporated into a revised land use request application form (**Exhibit D**) for **unsolicited requests** to utilize DHHL land from non-profit organizations. The land use application form has been utilized since the summer of 2019.

The general process was created in part based on the recommendations from the evaluation report of the Waimea Nui Pilot project, with emphasis on providing DHHL assistance to associations to get through the planning and due diligence studies as those studies are the cornerstone of development projects. HRS 343 and 6E compliance are also required prior to the actual implementation of a project. The general process also tries to balance the assessment and evaluation of the capacity of an organization to carry out its proposed project but also making sure that the process does not create unnecessary bureaucratic hoops for community associations to go through.

Challenges with the existing process:

- Volume of **unsolicited** requests vary each year and the timing to respond to each request varies because of the volume of requests received.
- No dedicated full-time staff also affects response time and ability to provide technical assistance to homestead community associations.
- Community associations have expressed the need to receive a long-term disposition to obtain financing for the project.

Related to the third challenge identified above, the current process gives associations a month-to-month ROE to complete due diligence studies prior to the issuance of a long-term disposition. Upon completion of those studies, then a recommendation by DHHL to the HHC for a long-term disposition would be made. Some of the recent associations going through the current process have completed most of the diligence requirements except for HRS 6E, which requires the approval/concurrence of the State Historic Preservation Division (SHPD). HRS 6E compliance has been challenging as it (1) requires reviews and approvals outside of DHHL control and (2) requires resources to contract

qualified archaeologists to complete the work to the standard required by SHPD.

Community Project Assistance Post -2015

Since the 2015 pilot project with the Waimea Hawaiian Homestead Association, DHHL has provided technical assistance to the following associations in the form of either funding, project management, or both. Table 1 provides a summary of the projects and assistance DHHL has provided.

Association	Technical Assistance Provided	Years Provided	Due Diligence Status	Disposition Status
Kailapa Community Association	DHHL technical assistance and review of Environmental Assessment prepared by KCA	2016	Master Plan completed Business Plan completed HRS 343 EA completed HRS 6E compliance completed	KCA has a 50 year license with DHHL that was executed in 2011 for 14-acres
Panaewa Hawaiian Home Land Assoc. & Panaewa Comm. Alliance	DHHL project management and funding of consultant to prepare master plan, business plan, HRS 343 EA, and HRS 6E compliance	2016 to 2018	Master Plan completed Business Plan completed HRS 343 EA completed HRS 6E Compliance completed	PHHLCA and PCA have a 30 year license with DHHL that was executed in 2016 for 12.744 acres.
Keaukaha-Panaewa Farmers' Assoc.	DHHL Grant funds were awarded to KPFA in 2021 to do master plan and awarded in 2022 to prepare HRS 343 EA.	2021 to 2023	Master Plan completed Business Plan completed HRS 343 EA completed HRS 6E Compliance completed	KPFA has existing month-to-month ROE with DHHL for its farmers' market. KPFA is seeking additional acreage and converting its ROE to a longer-term disposition.
Keokea Farmers Homestead Association	DHHL project management and funding of consultant to prepare master plan, business plan, HRS 343 EA, and HRS 6E compliance. However, SHPD did not concur with initial HRS 6E determination, additional HRS 6E work needed.	2020 to 2022	Master Plan completed Business Plan completed HRS 343 EA completed HRS 6E in progress and pending SHPD approval	KFHA currently has a month-to-month Right-of-Entry Permit to conduct its farmers market and provide limited programming on site. KFHA is seeking a long-term disposition in order to finance its proposed improvements.

Waiohuli Hawaiian Homestead Association	DHHL Grant funds were awarded to Waiohuli in 2021 to prepare a master plan for its WE-DO project. Additional grant funds were awarded to Waiohuli in 2023 to complete HRS 343 EA	2021 to present	Master Plan completed Business Plan completed HRS 343 EA in progress HRS 6E compliance in progress and pending SHPD approval	WHHA has a ROE to conduct due diligence studies and preliminary approval from the HHC for a General Lease conditioned upon the completion of its due diligence studies.
Paupena CDC	DHHL project management of archaeological consultant for HRS 6E compliance	2022 to present	Master Plan completed Business plan completed DHHL determined that activities identified by master plan were exemptible from HRS 343 EA based on DHHL EA exemption list. HRS 6E compliance in progress and pending SHPD approval	Paupena CDC has a ROE to conduct due diligence studies. At the completion of due diligence requirements will seek long-term disposition from DHHL.
Ka Ohana O Kahikinui	DHHL Grant funds were awarded to KOOK most recently in 2022 for its fog drip system design plans and materials and assist with HRS 6E compliance	2021 to present	Fog Drip Design Plans completed DHHL determined that design plans were exemptible from HRS 343 EA based on DHHL EA exemption list. HRS 6E compliance pending	KOOK has a month-to-month ROE from DHHL to conduct due diligence for its fog-drip system and is seeking a long-term license from DHHL to construct, manage, and maintain the system.
Kekaha Hawaiian Homestead Association	DHHL project management of consultant for development of Farm and Irrigation Plan, HRS 343 preparation, and HRS 6E compliance.*	2018 to 2020	Farm and Irrigation Plan completed HRS 343 EA completed HRS 6E completed	KHHA has a 20-year license from DHHL that was executed in 2017.

Recommendation

None for information only.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION WORKSHOP/AGENDA
91-5420 Kapolei Parkway, Kapolei, O'ahu, Hawai'i
Monday, January 23, 2012, 2:00 p.m., & January 24, 2012, 8:30 a.m.

ORDER OF BUSINESS

Roll Call
Approval of Agenda
Approval of Minutes of December 12, 2011

B - PUBLIC TESTIMONY ON AGENDIZED ITEMS

C - OFFICE OF THE CHAIRMAN

- C-1 Resolution No. 260 - Non Homesteading Leasing of Trust Lands
- C-2 Strategic Plan Year One Deliverables
- C-3 Water Ad Hoc Committee Update
- C-4 Energy Ad Hoc Committee Update
- C-5 Amendment to HHC 2012 Calendar

D - HOMESTEAD SERVICES DIVISION

- D-1 HSD Status Reports
 - Exhibits:
 - A - Homestead Lease and Application Totals and Monthly Activity Reports
 - B - Delinquency Report and Status of Contested Case Hearings
 - C - DHHL Guarantees for USDA-Rural Development Mortgage Loans
 - D - DHHL Guarantees for FHA Construction Loans
- D-2 Approval of Various Lease Awards
- D-3 Use of Native Hawaiian Housing Block Grant Funds - Waiohuli Undivided Interest Relocation Offering, Maui
- D-4 Deferred Sales Price Program
- D-5 Approval of Consent to Mortgage
- D-6 Refinance of Loans
- D-7 Schedule of Loan Delinquency Contested Case Hearings
- D-8 Ratification of Loan Approvals
- D-9 Homestead Application Transfers / Cancellations
- D-10 Reinstatement of Deferred Applications
- D-11 Ratification of Designation of Successors to Leasehold Interest and Designation of

ITEM G-4 EXHIBIT A

Persons to Receive Net Proceeds

- D-12 Approval of Assignment of Leasehold Interest
- D-13 Approval of Amendment of Leasehold Interest
- D-14 Request for Contested Case Hearing - **Samuel Tollefson**
- D-15 Commission Designation of Successor - **Loretta L.K. Luavasa**
- D-16 Commission Designation of Successor - **Albert Clyde Pu**
- D-17 Cancellation of Lease - **Alma S. Weiss**

F- LAND MANAGEMENT DIVISION

- F-1 Findings of No Significant Impact, Aina Mauna Legacy Program Plan, Humu`ula, Hawai`i
- F-2 Issuance of License, Aha Punānā Leo, Inc., Kauhale `Oiwī O Kalawahine, O`ahu
- F-3 Issuance of License, Patricia K. Hodson, Pu`ukapu, Hawai`i
- F-4 For Information Only - Hawai`i DeBartolo LLC, East Kapolei, O`ahu
- F-5 Amendment to General Lease No. 290, Kapolei Community Development Corp., East Kapolei, O`ahu
- F-6 Ratification of Consents and Approvals by Chairman, Hawaiian Homes Commission
- F-7 Notices of Default and Revocations, Statewide
- F-8 Assignment of Partial Interest License Agreement No. 372, Waimana Enterprises, Inc.

G - PLANNING OFFICE

- G-1 Native Hawaiian Development Program Plan 2012 - 2014

EXECUTIVE SESSION


The Commission anticipates convening in executive meeting Pursuant to Section 92-5(a)(4), HRS, to consult with its attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities and liabilities on these matters.

- 1. Richard Nelson, III, Kaliko Chun et al. v HHC, Civil No. 09-1-161507
- 2. Kalima v SOH, DHHL, Civil No. 99-0-4771-12(EHH) (Class Action)
- 3. Petition for Certiorari to US Supreme Court, Corboy v Louie
- 4. Proposed Resolution of Property Tax Liability
- 5. Potential Conflicts of Interests of Commissioners Under HRS 84-14(a)
- 6. Defect of Title Claims
- 7. Honokaia `Ohana v HHC & DHHL, Civil No. 09-00395
- 8. Honokaia `Ohana v HHC & DHHL, Civil No. 09-101615-07
- 9. Alternate Land Use for Pastoral & Agricultural Homestead Leases
- 10. Regarding HRS 10-2-33
- 11. General Leasing Policy

ANNOUNCEMENTS AND ADJOURNMENT

1. Next Meeting – February 21 - 22, 2012 Kapolei, Hawai'i
2. Other Announcements
3. Adjournment



 Albert "Alapaki" Nahale-a, Chairman
Hawaiian Homes Commission

COMMISSION MEMBERS

Imaikalani P. Aiu, Kaua'i
Perry O. Artates, Maui
Leimana DaMate, West Hawai'i
J. "Kama" Hopkins, O'ahu

Michael P. Kahikina, O'ahu
Ian B. Lee Loy, East Hawai'i
Henry K. Tancayo, Moloka'i
Renwick V.I. Tassill, O'ahu

No Community Meeting Scheduled for February, 2012

Special Accommodations (such as Sign Language interpreter, large print, taped materials) can be provided, if requested at least five (5) working days before the scheduled meeting on the respective island by calling (808) 620-9590.

HAWAIIAN HOMES COMMISSION
Minutes of January 23 & 24, 2012
Meeting Held in Kapolei, O`ahu, Hawai`i

Pursuant to proper call, the 623rd Regular Meeting of the Hawaiian Homes Commission was held at the Department of Hawaiian Home Lands, 91-5420 Kapolei Parkway, Kapolei, Hawai`i January 23, 2012 beginning at 2:05 p.m.

PRESENT Mr. Albert "Alapaki" Nahale-a, Chair
Mr. Imaikalani Aiu, Commissioner, Kaua`i
Mr. Perry O. Artates, Commissioner, Maui
Ms. Leimana DaMate, Commissioner, West Hawai`i
Mr. J. Kama Hopkins, Commissioner, O`ahu
Mr. Michael P. Kahikina, Commissioner, O`ahu
Mr. Ian B. Lee Loy, Commissioner, East Hawai`i
Mr. Henry K. Tancayo, Commissioner, Moloka`i
Mr. Renwick V.I. Tassill, Commissioner, O`ahu

COUNSEL Deputy Attorney General Kalani Bush

STAFF Michelle Ka`uhane Deputy to the Chair
Wai`ale`ale Sarsona, Chief of Staff
Linda Chinn, Administrator, Land Management Division
Darrell Yagodich, Administrator, Planning Office
Dean Oshiro, Acting Administrator, Homestead Services
Crystal Kua, Information & Community Relations Officer
Norman Sakamoto, Land Development Specialist
Juan Garcia, Supervisor, Homestead Services Division
Don Aweau, Special Assistant to the Chair
Kaleo Manuel, Planner, Planning Office
Julie Cachola, Planner, Planning Office
Gigi Cairel, Planner, Planning Office
Blaine Fergerstrom, Information Specialist, ICRO
Kimo Kai, Special Assistant, Office of the Chair
Elaine Searle Secretary to the Commission

MELE Commission Michael Kahikina

PULE Commissioner Kama Hopkins

AGENDA Commissioner K. Hopkins moved, seconded by Commissioner I. Aiu to approve the agenda. Motion carried unanimously.

ITEM G-4 EXHIBIT A

Hawaiian Homes Commission Minutes - January 23 -24, 2012
Kapolei, O'ahu

-29-

RECOMMENDATION

That the commission: 1) Approve the Native Hawaiian Development Program Plan for the period from January 1, 2012 to June 30, 2014; 2) Amend the department's Operating Budget for the period from January 1, 2012 to June 30, 2012, noted Planner Kaleo Manuel.

MOTION

Moved by Commissioner I. Aiu, seconded by Commissioner L. DaMate.

DISCUSSION

Commissioner I. Aiu said the Comments on Training and Technical Assistance seemed to be the most desired and positively commented on by beneficiaries. He would recommend redirecting more funds to this piece because of its value to the beneficiary. The original request came in at \$300,000, and there is matching funds still being sought. Any negotiations would need to be handled with the federal government, added Planning Administrator Darrell Yagodich. The \$1.3 million budget is a realistic budget that fits into the Native Hawaiian Development Program Plan.

According to Deputy M. Ka'uhane, the department will 1) need to run a balanced budget. 2) need to make known how critical the funding is. The amount projected based on the action taken on the 15% is reflected in there. There is approximately \$3.8 million reserved in NHRF funds and \$250,000 is being generated from the 30% monies and \$100,000 on interest on a formula. So, there's approximately \$450,000 coming in annually, claimed D. Yagodich.

Chief of Staff W. Sarsona stated she has no problem adjusting the budget for more technical assistance if the commission feels there is a need. Several contractors are available to the homesteaders. They can apply to the department for the contract to obtain this service. There were several outstanding contracts to deliver these services. It was costly. With this motion, if you receive a grant, you deliver, added Chair Nahale-a. There are some providers where this is their only contract. There needs to be better leveraging and this model doesn't appear to be the right fit.

Planner Kaleo Manuel explained the purpose of the Native Hawaiian Rehabilitation Fund (NHRF) is to provide rehabilitation that address education, economic and political opportunities. Chair added that there needs to be more streamline approach to funding and the administration is attempting to address this.

ACTION

Motion carried unanimously.

ITEM G-4 EXHIBIT B



Established 1960

Database Marketing

Economic & Social Impact Studies

Evaluations

Research

Modeling/Forecasting

Beyond Information. Intelligence.

Cover Sheet

Waimea Nui Program Evaluation

Presented to: Department of Hawaiian Home Lands

March 1, 2016

SMS

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International Survey Research
Solutions Pacific, LLC
SMS Consulting, LLC
3i Marketing & Communications

Background

The Waimea Nui Region covers in excess of 27,000 acres of Hawaiian Homestead Lands on which 536 leases have been awarded. This Homestead community is part of the greater Waimea district which is a diverse agricultural region, with strong opportunities from both its human and natural resources. Currently, 14,000 people call Waimea home of which roughly 40% are of Hawaiian decent. The Waimea Hawaiian Homestead community is composed of land used for residential, agricultural, and pastoral purposes, as designated by the Hawaiian Homes Commission Act (HHCA) of 1920. Of the 110 farm and 275 pastoral leases in Waimea Nui, the number of successful, productive working farms is limited. The Department of Hawaiian Home Lands (DHHL) estimates that only 5% of agriculture awards throughout the state are productive farms.

Limitations to a successful agriculture (farm) and pastoral (ranch) program in Waimea Nui were identified during community meetings, and inquiries, suggestions and recommendations were made to DHHL. These include (1) the lack of resources (i.e. water, equipment), (2) limits of lessees' technical capacity, (3) finances, (4) lack of hands-on training programs and (5) availability of appropriate product type. These limitations hinder the income generating potential for the lands Native Hawaiians lessees were granted. Furthermore, there are limited local economic opportunities for Waimea Nui Region residents and most commute 40 to 50 miles a day to the Waikoloa Coast for employment.

The Waimea Nui Community Development Initiative (WNCDI) is a beneficiary driven, shared community effort created with *the purpose of developing fundamental infrastructure to build a vibrant, self-sufficient community grounded in traditional Hawaiian values*. The 161-acre community complex being pursued by the Waimea Hawaiian Homestead Association (WHHA) was designed to fit the needs of nā 'ōpio to kūpuna, as well as those that have passed on. It is DHHL's hope that this pilot project will result in replicable and innovative models that can inspire and guide other homestead communities should they decide to take on similar initiatives.

SMS Research was contracted by DHHL to perform a formal evaluation of the Development Initiative using a logic model to drive its analysis. The purpose of the evaluation was to identify the project's strengths and weaknesses and to provide recommendations for improvement. The outcomes of this project will help the Department evaluate how the WNCDI's process can be replicated in other Hawaiian Homestead communities.

Methodology

SMS took on a fairly straightforward approach to evaluating the WNCDI. First, SMS constructed a logic model using the "Waimea Nui Hawai'i Regional Plan" as well as the "Waimea Nui Community Development Initiative" as background documents. In the model, SMS linked the project's desired outcomes with its planning process and inputs, allowing them to visualize and evaluate the general flow of the plan. SMS then conducted executive interviews with the Initiative's stakeholders to identify the project's strengths and weaknesses. In these interviews, the logic model was also reviewed and input on its accuracy was provided. A list of participating stakeholders is available below.

ITEM G-4 EXHIBIT B

STAKEHOLDERS INTERVIEWED	
Name	Title
Mike Hodson	Chairman, Waimea Nui Community Development Initiative
Andrew Choy	Planner, Department of Hawaiian Home Lands
Kaleo Manuel	Acting Planning Program Manager, Department of Hawaiian Home Lands
Kawika McKeague	Project Director, Group 70

Timeline

Over the years, the Development Initiative has gone through many phases; however, the work to make the Waimea Nui Region an economically successful and self-sufficient community began over 50 years ago. In 1964, WHHA began envisioning a more sustainable future starting with their proposal for a neighborhood park with recreational facilities and walking paths. Today, the community-building plan is currently in its fourth phase and has since expanded to include 15 additional projects that are rooted in six focus areas: (1) Community Facilities, (2) Farming and Ranching, (3) Health and Wellness, (4) Fitness and Recreation, (5) Revenue Generation and Sustainable Jobs, and (6) Utilities.

WHHA identified the need to conduct preliminary planning activities as critical to the success of the project, so the Association began its fundraising efforts in August 2011 as a way to pay for this process. They held an extremely successful sold-out benefit lū'au and were able to contract with Rivertop Solutions, LLC to conduct an environmental assessment (EA) of their proposed 161-acre community complex. This project cost the community \$10,000. When WHHA requested their lease for 161-acres, they provided DHHL with their completed EA. However, it was determined that the assessment was incomplete and inadequate for the size and scope of WHHA's master plan. For this reason, DHHL became more directly involved in Waimea Nui's Development Initiative in 2013 after it provided the community with \$200,000 to complete a second EA this time using Group 70 as the assessor.

In August 2013, Mike Hodson, the chairman of the WNCIDI met with Andrew Choy, a DHHL planner, and together they reviewed the first EA completed by Rivertop Solutions. Strengths and weaknesses were identified and the reasons behind the implementation of a second EA were disclosed. In this meeting, it was also decided that the community would focus on the first four revenue-generating projects in the short-term, rather than the full 16 projects proposed. The four projects chosen were the agricultural complex (including the recreational park), cemetery, golf course, and paniolo equestrian complex. These four projects were chosen because they have the highest revenue potential. If successful, these four projects will allow the community to independently fund the remaining 12 facilities.

In January 2014, Mike Hodson met with Group 70 representatives to discuss the community's vision for their 161-acre complex and by June, a contract for service was signed. The EA took ten months to complete and was presented to the Hawaiian Homes Commission in April 2015. The Commission approved the general lease for the 161-acres one month later. In January 2016, a lease agreement was reached between DHHL, the Hawaiian Homes Commission and WNCIDI. Essentially, the lands will be leased to the community rent free in exchange for complete annual reports until all of the initial start-up costs have been paid in full through the revenues earned from the four projects. DHHL will begin taking a percentage of the revenues thereafter.

ITEM G-4 EXHIBIT B

TIMELINE of WAIMEA NUI COMMUNITY DEVELOPMENT INITIATIVE	
1964	WHAHA started to create their vision for a self-sufficient, economically sustainable future
2008	WHAHA began working with DHHL to develop a regional plan
	The plan's major elements were identified:
	Youth Recreational Facilities
	Community Hale/ Gathering Facilities
	Revenue Generating Facilities
2011	WHAHA started their fundraising efforts to pay for their formal planning process
2012	Rivertop Solutions completed the first Environmental Assessment for the 161-acre complex
	WNCDI submitted their request for the 161-acre lease to DHHL; the EA was determined to be insufficient
Aug. 2013	DHHL became involved in the WNCDI planning process
Jan. 214	DHHL provided \$200,000 to WHHA to contract Group 70 to complete a revised EA
Jun. 2014	Group 70 was officially contracted to perform the EA
Apr. 2015	The revised EA was completed and submitted to the Hawaiian Homes Commission for review
May 2015	Hawaiian Homes Commission approved the EA as well as the lease request
Jan. 2016	Lease agreement between DHHL and WNCDI was approved

Feedback on the Program

The efforts taken between 2013 and 2015 have greatly accelerated the WNCDI's community building plans, and have in essence pushed the initiative through the planning phase and into its development stages. Reviewing the process for its strengths and weaknesses will help the Department identify if and how it might be best to replicate the Waimea Nui model for other community building initiatives in Homestead lands across the state.

Strengths

The assessment that Rivertop Solutions provided DHHL became one of the initiative's biggest strengths. Because the qualitative descriptions of the community and its plans were so rich, the original EA helped Group 70 identify and work around the goals of the WNCDI. The technical knowledge of what it takes to implement a successful physical plan (i.e. height constraints, noise contours, and water issues) while extremely important became supplemental factors in the master plan. The care that was taken to maintain the goals of the community was a very important factor in the process because the WNCDI's 161-acre complex had already been stripped down and limited to four core projects by the time Group 70 became involved. Furthermore, because the community goals were so well articulated, there was a clear end-point in mind that all parties involved could work towards. To change the scope even further would have had a negative effect on the community's momentum and drive to see their plan through to completion.

Another strength of the WNCDI was the passion, leadership and community support surrounding this regional plan. Prior to DHHL's involvement in the community's planning objectives, the Development Initiative was working independently to articulate a vision, create a list of desired projects, and secure funding for their 161-acre complex—something they had been working on for 50 years. Furthermore, the WNCDI leadership created nine committees that focused on some element of the project and encouraged

ITEM G-4 EXHIBIT B

WHAHA members to join them. Topic areas included agriculture, economic development, kūpuna care, and recreational areas. This allowed for increased community input and provided all members the opportunity to communicate what amenities they would like to have included in the Development Initiative. In making the regional plan accessible community-wide, the WNCIDI was able to unify WHHA members under one clearly defined vision.

More generally, the underlying purpose of the WNCIDI was very community-centric, and thus better able to capture the support of Waimea Nui residents. The plan provides a solution to the problem of limited access to local economic opportunities in Waimea. Having an economically sustainable, self-sufficient community will benefit the entire region, and is thus a project that can easily garner support. The incorporation of community needs is a strength in any regional planning project and resident input is paramount for long-term success.

At the departmental level, having a DHHL planner take on a role similar to that of a primary contractor was imperative to the success of this project. Initially, the Department's planning office thought its primary responsibility was to assist the WNCIDI through its procurement process. Over time, however, its planners— Andrew Choy in particular— became involved in other elements of the project, and took on the responsibility of tracking the project's overall development as well as its deliverables. Andrew also acted as the communication line between Group 70 and WNCIDI. In doing so, the project benefited from an added level of accountability and organization. With his understanding of procurement, property management, grant writing, and not-for-profit organizations Andrew was able to bridge the technical elements of development with the community's goals and foci to navigate the Initiative to a successful end. This evolving role for the planning office had the greatest impact on updating the logic model.

Lastly, WNCIDI's pursuit of appropriate funding sources allowed the Initiative to maintain its original vision. In interviews with stakeholders, SMS found that community development projects often bend or change their visions to meet the requirements or missions of grant funders in an attempt to receive funding. This practice has proven to have a negative effect in the long-term because projects lose support when there is inconsistency in vision. Community members become confused— even divided— and they stop working together to achieve their goals. WNCIDI was steadfast in their pursuit of a sustainable local economy, and they never once lost sight of their original objectives. This consistency kept the community engaged in the process and willing to put time and work into getting their 161-acre complex off the ground.

Weaknesses

The majority of this project's weaknesses have to do with a lack of capacity within WNCIDI and DHHL. The WNCIDI did not have the professional knowledge or technical skills necessary for development, and DHHL was not adequately staffed to manage the size and scale of this Development Initiative. These limitations resulted in the unnecessary loss of resources for both parties. With the money raised from their benefit lū'au, the WNCIDI was able to put \$10,000 towards an EA. However, the scope of the project was significantly larger than an EA of this size was able to adequately address, and thus it was not accepted by the Department. This decision had a negative effect on the community's morale as well as its view of DHHL.

The Department, on the other hand, lost time to this project because the regional plan became a larger responsibility than originally anticipated. Because there is no DHHL position or division dedicated to

ITEM G-4 EXHIBIT B

regional development plans, the demands of this Development Initiative had to be balanced with the daily duties of the Planning Division. This likely prolonged the procurement process because time could not be exclusively allocated to the project—again damaging the WNCIDI leadership’s view of DHHL. Communications between the Department and WNCIDI also suffered during this time due to conflicting priorities.

Another weakness was DHHL’s insufficient involvement prior to 2013. Had the Department been more involved in planning decisions, perhaps the community would have better understood standards for EAs and other development requirements. The need to redo an EA reflects the initial lack of communication between the two parties. Furthermore, it brings to light the fact that DHHL did not have clear guidelines in place for supporting this Development Initiative. Without a standard to follow when going through the planning process, the WNCIDI had to re-do much of their work.

For a project of this scope DHHL expected more from the WNCIDI than it was reasonably able to achieve. It is important for the Department to remember that the Development Initiative is comprised of volunteers who assist with the project when they are able. They are not technically trained, paid professionals. This distinction is important to make because more consideration has to be given to the learning curve involved, especially when taking on large scale pilot projects like this regional plan. Errors must be expected, and the recognition that mistakes will happen along the way should be reflected in the budget.

In a similar vein, the WNCIDI leadership did not feel as though the Department provided them with enough technical assistance or capacity-building opportunities. This limited their ability to conduct the development process independently, according to WNCIDI’s board.

Funding

To date, the Waimea Nui Community Development Initiative has accumulated a total of \$48.73 million in funding. A complete breakdown is provided below.

FUNDING FOR WAIMEA NUI COMMUNITY DEVELOPMENT INITIATIVE	
Amount	Source
\$30,000	WHAHA Benefit Lū’au
\$200,000	DHHL; used to contract Group 70
\$3.5 million	Department of Agriculture to be put towards the design and construction of the Agriculture Complex
\$45 million	Special purpose revenue bond from the Hawaii State Legislature to be used for the first four focus projects

Logic Model

The program logic model is defined as a planning tool used to clarify and visually display the sequence of actions that describe what a program is and will do—how investments link to results. It allows for a better understanding of the interconnectivity of the resources, activities, and intended results of a plan. SMS has found the logic model and its processes to facilitate thinking, planning, and communications about program objectives and actual accomplishments. The process of developing the model is an opportunity to chart the course. It is a conscious process that creates an explicit understanding of the challenges ahead, the resources available, and the timetable in which to hit the target. In addition, it helps keep a balanced focus on the big picture as well as the component parts.

ITEM G-4 EXHIBIT B

The logic model that SMS developed for the Waimea Nui Community Development Initiative tracks the different steps of the planning process as well as its inputs, outputs, output measures (the indicator used to confirm the outputs), and the outcomes for both short, medium, and long-term goals. DHHL assisted SMS with the first draft of the logic model, and the final version was provided to stakeholders for review. This logic model is provided below.

When reviewing the logic model, it is important to know that Steps 1 through 6a describe the process for the project prior to 2013. What evolved from the understanding of the strengths and weaknesses of this approach and what is truly required to move the project forward resulted in Steps 6b through 7h to be added. This is the “map” in place for the rest of the project.

Recommendation for the Future

DHHL needs to determine the priority level for Homestead Communities to become more economically self-sufficient. If it is a high priority, then the following recommendations should be implemented.

1. Community visions need to be clearly articulated and defined before the technical elements of the planning process begin (i.e. environmental assessment, procurement process, entitlement process, etc.). Once the planning process is in motion, perhaps individual objectives may change, but the original vision should not.
2. A high priority for community economic development will require a higher level of DHHL investment in community development initiatives going forward. This investment can come in the form of time, money, and/or political action (i.e. grant writing and lobbying the Legislature to obtain funds).
3. A high priority will require more dedicated DHHL staff for community development projects. It would be best if the added staff were incorporated into the Planning Division. Managing too many projects simultaneously results in communication issues between Managers and Communities as well as delays in moving the processes forward in a timely manner. Moreover, by positioning community development initiatives as “side projects,” there is high potential for homestead communities to adopt a negative view of the Department because their initiative is not being treated as a priority.
 - a. The requirements of this position would likely be:
 - i. Experience with property management.
 - ii. Understanding of the entitlement process as it relates to development (ex. Chapter 343).
 - iii. Experience with grant monitoring and/or grant writing.
 - iv. Previous work with not-for-profit organizations.
4. DHHL should implement guidelines and procedures for future community development projects. Clarity in the process will likely decrease the amount of work that has to be redone following the Department’s review. The logic model should be a starting point, because it clearly defines roles and responsibilities. Likewise, a flow chart communicating the necessary steps in the

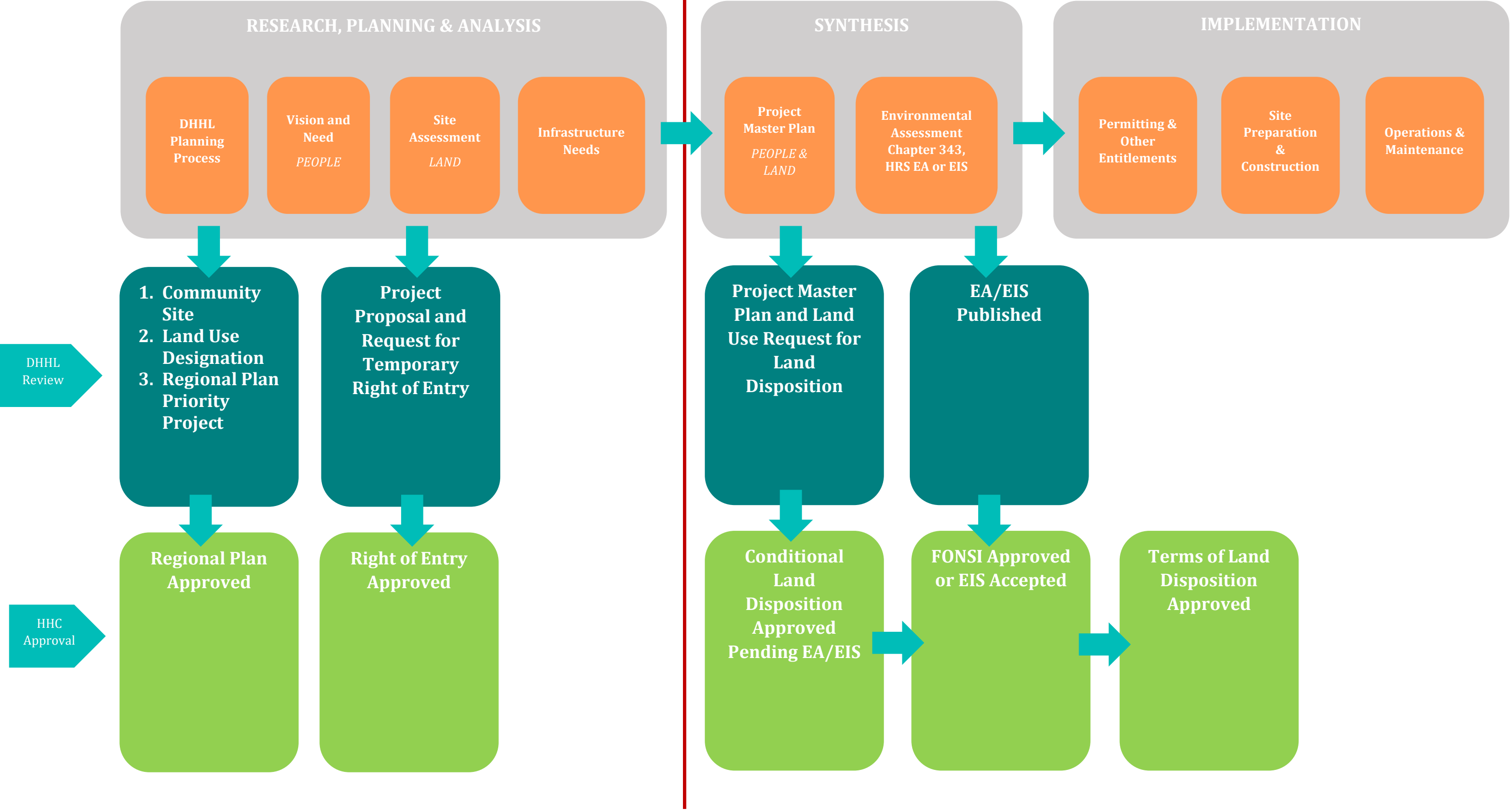
ITEM G-4 EXHIBIT B

development process should also be provided to every community considering an economic development project.

5. DHHL should be involved with community projects from the beginning, especially when they are larger in scale. Its role does not always have to be active; however, the Department should at the very least enact periodic check-ups on community development initiatives to increase accountability and insure appropriate progress.
6. DHHL should connect communities with the appropriate type of resources early in the planning process. Having technically trained professionals on a development team will guide communities towards best practices and help them make strategic decisions from the beginning. Examples include: i) paving a winding road instead of a straight road to prevent speeding, ii) limiting the height of buildings due to airport requirements, iii) strategically placing buildings based on the location of water sources, etc.
7. As a part of standard practice DHHL should include teaching opportunities overall as well as within a project's budget. This includes community training sessions and capacity building seminars as well as the acceptance of mistakes along the way. Ultimately, the homestead members involved in a regional plan will likely be volunteers who can assist with projects as they are able. They will likely not be technically trained in urban planning and will face a learning curve going into a development project. Adjustments will have to be made as they become better acquainted with the process. These adjustments should be factored into a project's funding. However, by assigning a DHHL Manager to a development project from the start, these adjustments should be minimized.

Homestead Communities' economic development projects have great potential for improving the well being and economic self sufficiency of Homestead residents. Managing these projects in a well-defined, sufficiently resourced manner will increase the efficiency and reduce the time required to implement them.

FIGURE 4: MASTER PLANNING AND LAND DEVELOPMENT PROCESS ON HAWAIIAN HOME LANDS



Department of Hawaiian Home Lands
NON-PROFIT ORGANIZATION APPLICATION FOR LONG-TERM USE OF DHHL LANDS
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PURPOSE OF APPLICATION

The Hawaiian Homes Commission Act (HHCA) Section 204(2) and 207(c) authorizes DHHL to dispose of lands for non-homesteading purposes on the same terms, conditions, restrictions, and uses applicable to the disposition of public lands as provided in Hawaii Revised Statutes (HRS) Chapter 171. HRS 171-43.1 authorizes DHHL to dispose of lands to eleemosynary organizations by direct negotiation without requiring a competitive solicitation process.

Per HRS 171-43.1, eleemosynary organizations must be certified to be tax exempt under sections 501(c)(1) or 501(c)(3) of the Internal Revenue Code of 1986, as amended. The lands shall be used by such eleemosynary organizations for the purposes for which their charter was issued and for which they were certified by the Internal Revenue Service.

This application is meant for IRS 501(c)(1) or IRS(501)(c)(3) non-profit organizations that are interested in long-term utilization of DHHL land for the purposes of providing programs and services to DHHL beneficiaries to further their rehabilitation and well-being.

This application is NOT meant for:

- For-profit entities and for-profit purposes. For-profit proposals must go through a different process that requires a competitive solicitation process as outlined in HRS Chapter 171.
- Individual use of Hawaiian Home Lands
- Organizations and individuals that are interested in use or access of Hawaiian Home Lands for less than 30-days (short-term use). Interested organizations or individuals interested in short-term use of Hawaiian Home Lands should contact the DHHL Land Management Division for a Limited Right-of-Entry Permit application.

APPLICATION PROCESS

There are two main parts to this application process: (1) Completion of Pre-Application Form and (2) Application.

Part I -- Pre-Application Form

Pre-application intended to minimize risk of investing significant time and resources for the applicant and give DHHL a better idea about proposal and applicant potential capacity to implement.

The Pre-Application Project Proposal Form also ensures that the proposed area of use is consistent with DHHL Island Plan Land Use Designations. DHHL Island Plans can be found at: <http://dhhl.hawaii.gov/po/island-plans/> DHHL will **only** be accepting proposals for its lands that

Department of Hawaiian Home Lands
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are designated for (1) Community Use, (2) General Agriculture, (3) Conservation, or (4) Special District.

The Pre-Application Project Proposal Form will also help DHHL determine whether the proposed project requires a DHHL beneficiary consultation meeting. Project proposals that are identified as priority projects in DHHL Regional Plans do **not** require additional DHHL beneficiary consultation.

NOTE TO POTENTIAL APPLICANTS: DHHL funding and staff technical assistance is NOT guaranteed. DHHL might consider providing funding assistance to projects that can attract other sources of funding. Projects that rely primarily on DHHL resources (other than land) for implementation will not be considered.

Submitting the Pre-Application Packet

There are questions on the Pre-Application Form that can be filled out on the form. However, the majority of the questions on the form will require typed written responses on a separate page. When answering questions on a separate page, please indicate the question number and question you are responding to prior to your written response.

Overview of the Pre-Application Form

There are four sections to the Pre-Application Form:

1. **Applicant Information** – This section helps DHHL identify **who** the applicant organization is and the applicant organization's history and experience with providing programs and services to DHHL beneficiaries.
2. **Project Information** – This section helps DHHL identify **what** the project is, **why** the project is needed, and **how** it will benefit DHHL and its beneficiaries. The section also asks whether the proposed project is a DHHL Regional Plan Priority Project to determine beneficiary support for the project. If it is not a DHHL Regional Plan Priority Project, additional beneficiary consultation is needed to determine beneficiary support for the project.
3. **Project Location** – This section helps DHHL identify **where** the project is located. DHHL will make determinations whether the proposed project is consistent with its Island Plan Land Use Designation and whether the proposed project is a compatible use with the surrounding area.
4. **Timeframe** – This section helps DHHL identify **when** and **how long** the applicant's proposed project will take to implement. More importantly, it helps DHHL and the applicant to identify major benchmarks and phases in the proposed project.

Department of Hawaiian Home Lands
NON-PROFIT ORGANIZATION APPLICATION FOR LONG-TERM USE OF DHHL LANDS
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A completed Pre-Application Packet must include:

- Signed Application Instructions Form (See the bottom of this form)
- Filled-out and signed Pre-Application Form
- Enclosed with the filled-out and signed Pre-Application Form, on separate pages, applicant responses to the information requested on the Pre-Application Form.

Please submit your pre-application packet either via mail to:

DHHL Land Management Division
91-5420 Kapolei Parkway
Kapolei, HI 96707

Part II --APPLICATION

After DHHL review of a completed Pre-Application Project Proposal and positive recommendation by staff is made, and if comments from beneficiary consultation meetings are positive, staff will make a recommendation to the Hawaiian Homes Commission to approve a Right-of-Entry Permit for the applicant to access DHHL land to conduct further due diligence work. Terms and conditions of the ROE permit will also be negotiated with the applicant at this time. The due diligence work is project dependent but typically consists of:

- Master Plan
- Business Plan
- HRS Chapter 343 Environmental Assessment or Environmental Impact Statement

NOTE TO POTENTIAL APPLICANTS: DHHL funding and staff technical assistance is **NOT** guaranteed to complete any of the above due diligence work. DHHL **might** consider providing funding assistance to projects that can attract other sources of funding. Projects that rely primarily on DHHL resources (other than land) for implementation will not be considered.

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ISSUANCE OF A LONG-TERM DISPOSITION (License or General Lease)

After successful completion of the due diligence studies, DHHL will negotiate terms and conditions of a long-term disposition with the applicant and make a recommendation to the HHC for approval of a long-term disposition. Please note, each disposition will most likely include a set of special conditions that must be fulfilled by the applicant. Special conditions will be unique for each project and will be negotiated between DHHL and the applicant.

In addition to special conditions, **standard conditions** that will be included in every disposition instrument include:

- Requiring the licensee or lessee to possess a valid limited liability insurance policy that can cover up to \$1 million in damages to DHHL property or persons that are accidentally injured on DHHL land;
- Requiring the licensee or lessee to comply with all applicable federal, state, and county laws;
- Realistic project milestones that demonstrate the growing capacity of the licensee or lessee; this may include limiting the size of the area that was originally requested by the applicant in the pre-application form to a smaller more manageable size in the first several years of the license or lease and gradually increasing the size of the area in the license or lease over time as project milestones are reached.
- Requiring the licensee or lessee to demonstrate that it is proactively making its best effort to recruit more DHHL beneficiaries to participate in the programs and services being provided on the DHHL property for which it has a license or lease to.

DHHL has a fiduciary responsibility to ensure that the applicant's use of DHHL property does not harm DHHL's ability to help other current and future beneficiaries. Please note that the special conditions and standard conditions that are included in dispositions are meant to mitigate harm to the DHHL Trust from unforeseen and/or unfortunate incidences that may occur on the licensed or leased property and ensure that all interested DHHL beneficiaries may participate in programs or services being offered through the use of DHHL property by the applicant.

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APPLICATION PROCESS ESTIMATED TIMEFRAME

Application Step	Timeframe	Responsible Entity
1. DHHL receives pre-application packet and notifies applicant if pre-application packet is complete	Up to 30 days	LMD
2. DHHL reviews completed project proposal and schedules review meeting with applicant to review questions, concerns, staff may have	Up to 90 days	PO & LMD
3. DHHL schedules beneficiary consultation meeting if project is <u>not</u> a regional plan priority project. The applicant's pre-application will be placed on the DHHL Land Management Division webpage for public review.	Meeting scheduled 3 months before on island HHC meeting. For example, if you are applying for DHHL land on Kauai, the beneficiary consultation meeting would be scheduled 3 months before the HHC meeting on Kauai. HHC meeting calendar go to: http://dhhl.hawaii.gov/hhc/	PO & Applicant
4. HHC ROE approval for due diligence	3 months after beneficiary consultation meeting	LMD & HHC
5. Conduct due diligence studies*	12-24 months	Applicant*
6. HHC approves FONSI	TBD	PO & HHC
7. HHC approves long-term disposition	TBD	LMD & HHC
8. Monitoring and reporting	TBD	Applicant & PO & LMD

[To be signed by person identified in Pre-Application Form Question #1] I hereby acknowledge that I have read and understand the above application instructions. I understand that this form is being submitted electronically and my typed name on the signature line will qualify as my signature for purposes of the above certification.

Signature: _____

Date: _____

Printed Name: _____

Title: _____

Organization: _____



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
P. O. BOX 1879
HONOLULU, HAWAII 96809

Department of Hawaiian Home Lands
**NON-PROFIT ORGANIZATION APPLICATION FOR
LONG-TERM USE OF DHHL LANDS**

PRE-APPLICATION FORM

This form should be used by non-profit organizations who are interested in securing a long-term license agreement for the use of DHHL lands to better serve native Hawaiian beneficiaries, their families, and the homestead community. Please review the Pre-Application Guidelines and Instructions document before you fill out this form because it provides detailed instructions and it explains all the steps involved in securing a long-term license agreement.

APPLICANT INFORMATION

Name of Organization: _____

Date of Incorporation: _____ IRS Tax-Exempt #: _____

1. Please identify one individual who will be the point of contact for this application:

Contact Name: _____ Title: _____

Email Address: _____ Phone: _____

2. What is the mission/vision of your organization?

[Please provide your typed responses on a separate page]

3. Please describe the history of your organization.

[Please provide your typed responses on a separate page]

4. How has your organization previously served beneficiaries of the Hawaiian Homes Commission Act?

[Please provide your typed responses on a separate page]

5. Describe past experiences, projects, or programs in the last five years that illustrate consistency with your organization's mission/vision statement.

[Please provide your typed responses on a separate page]

6. Please provide references (name and contact information) and/or Letters of Support for this application for non-homestead use of Hawaiian Home Lands.

[Please provide your typed responses on a separate page]

7. If you are developing your project in partnership with another organization(s), please describe the roles and responsibilities of each organization during project development, implementation, and long-term management.

[Please provide your typed responses on a separate page]

PROJECT INFORMATION

8. Describe the project. What are your project goals and objectives? What kinds of activities, programs, and/or services will you provide? Describe the need for your project and how it will benefit the DHHL trust, homestead lessees, and/or waitlist applicants.
[Please provide your typed responses on a separate page]
9. Please share your current thinking about the following project elements:
- The planning process and your efforts to include beneficiaries.
 - Beneficiary involvement throughout the duration of the project.
 - Design and construction costs for major improvements (if any).
 - Long-term management and operation of project facilities and the requested land area.
 - Long-term maintenance and repairs.
- [Please provide your typed responses on a separate page]*
10. Is the proposed project a Regional Plan Priority Project? YES ☐ NO ☐
11. How do you intend to secure funding and other needed resources for the project?
[Please provide your typed responses on a separate page]

PROJECT LOCATION

12. Identify the parcel(s) of land your organization is requesting.
Tax Map Key Number(s): _____ Acres: _____
Homestead Area: _____ Regional Plan Area: _____
Island Plan Land Use Designation: *check all that apply below*
Community Use ☐ General Agriculture ☐ Conservation ☐ Special District ☐ Other ☐
13. Please attach a map that marks the boundaries of the area of land you are requesting. Please also identify on a separate map the conceptual layout and siting of proposed uses.
14. What are the existing uses in the surrounding area? Please describe how your proposed use is consistent with the existing surrounding uses.
[Please provide your typed responses on a separate page]
15. Why do you want to implement your project at this site? Describe the characteristics of the site and surrounding area that make it an ideal location for your project.
[Please provide your typed responses on a separate page]

TIMEFRAME

16. What is the general timeframe for implementing the project (estimated years)? Please identify major benchmarks and phases.
[Please provide your typed responses on a separate page]

I hereby acknowledge that I have read this application and certify that the information provided in our responses are correct. I understand that this form is being submitted electronically and my typed name on the signature line will qualify as my signature for purposes of the above certification.

Signature: _____

Date: _____

Printed Name: _____

Title: _____

Organization: _____

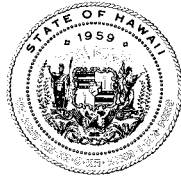
HAWAIIAN HOMES COMMISSION
SEPTEMBER 18 & 19, 2023

H – ITEMS

ADMINISTRATIVE SERVICES OFFICE

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia 'āina o ka Moku 'āina 'o
Hawaii 'i*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia 'āina o ka Moku 'āina
'o Hawaii 'i*



KALI WATSON
CHAIRMAN, HHC
Ka Luna Ho 'okele

KATIE L. DUCATT
DEPUTY TO THE CHAIRMAN
Ka Hope Luna Ho 'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
Ka 'Oihana 'Āina Ho 'opulapula Hawaii 'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

September 18, 2023

TO: Chair and Members, Hawaiian Homes Commission

FR: Brian K. Furuto, Administrative Services Officer

RE: Approval of Department of Hawaiian Home Lands Supplemental Budget Requests for FY25 (Sufficient Sums Budget)

RECOMMENDED ACTION:

1. Hawaiian Homes Commission (HHC) approval of the Department's FY25 (July 1, 2024, to June 30, 2025) Operating and Capital Improvement Program (CIP) budget request (Sufficient Sums Budget) to the Governor for consideration in the Administration's Executive Budget request to the 2024 Hawai'i State Legislature.
2. HHC approval of the FY25 Operating and CIP budget request for presentation to the 2024 Hawai'i State Legislature.
3. HHC authorization for the Chair to revise the Operating and CIP budget request to make adjustments to the budget request to address technical errors or omissions before it is incorporated into the Executive Branch Budget request.

DISCUSSION:

**CHRONOLOGY OF DHHL'S SUPPLEMENTAL
BUDGET REQUEST FOR FY25**

Article XII, Section 1 of the State Constitution states "The legislature shall make sufficient sums available for the following 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; (4) the administration and operating budget of the department of Hawaiian home lands..."

On October 19, 2007, several beneficiaries filed a lawsuit against the State and the HHC claiming that the State violated its constitutional duty to sufficiently fund the DHHL.

On March 9, 2012, the Supreme Court in **Nelson I** affirmed the Intermediate Court of Appeals judgment in part that the courts can determine what constitutes "sufficient sums" for the DHHL's administrative and operating expenses to carry out the purposes of the Hawaiian Homes Commissions Act, 1920, as amended.

The Supreme Court also determined that "sufficient sums" for (1) development of lots, (2) loans, and (3) rehabilitation projects are political in nature and could not be judicially determined.

Based on instructions from the Supreme Court in **Nelson I**, a non-jury trial was held on Plaintiff's claims that the State of Hawai'i violated its constitutional duty to provide sufficient sums to the DHHL for its administrative and operating budget (Count 1) and the DHHL, the HHC and its commissioners breached their trust duties by failing to seek from the legislature all the funding to which the department is constitutionally entitled (Count 2).

In November 2015, the Circuit Court ordered that the term "sufficient" would change over the years, but that for fiscal year 2015-16, the administrative and operating budget of DHHL was \$28 million. The Circuit Court further determined that judgment on counts 1 and 2 would be entered in favor of Plaintiffs and against the State Defendants (as to Count 1) and the DHHL defendants (as to Count 2).

State Defendants appealed the ruling. In *Nelson v. Hawaiian Homes Commission* (February 2018) ("**Nelson II**"), the Supreme Court vacated all Circuit Court's orders and remanded to the Circuit Court. On remand, the Supreme Court gave explicit instructions to the Circuit Court to only "determine whether the State Defendants have provided 'sufficient sums' for DHHL's administrative and operating budget using the only judicially discoverable and manageable standard identified in **Nelson I**, the 1978 baseline of \$1.3 to \$1.6 million, adjusted for inflation." Thus, this Court does not make findings in regard to Counts 1 and 2 of the Complaint and those issues are left undecided. This Court only makes findings and conclusions which would assist the Court in defining the term "inflation" as used by the Supreme Court in **Nelson II**.

In September 2020, an evidentiary hearing was held to determine the best method to adjust the 1978 baseline of \$1.3 to \$1.6 million for inflation so that the circuit court could determine the singular issue remanded in **Nelson II**. In December 2020, the circuit court used the State and Local Government Consumption Expenditures Price Index (SLGC) to determine that "by appropriating over \$17 million for FY 2016, the State Defendants provided "sufficient sums" for DHHL's administrative and operating budget for the 2015-2016 fiscal year using the only judicially discoverable and manageable standard identified in *Nelson I*: the 1978 baseline of \$1.3 to 1.6 million, adjusted for inflation."

Based on the Article XII, Section I, the Hawaiian Homes Commission, the head of the Department of Hawaiian Home Lands, has a fiduciary responsibility to ask for amounts the Commission considers "sufficient sums" for the Department's administrative and operating expenses.

The Hawaiian Homes Commission request is formulated in two parts:

- a) Administrative and Operation costs relating to the Supreme Court ruling regarding purpose no. 4 of Article XII, Section I. This part also includes existing infrastructure projects with a long-standing history of operational, maintenance, and repair issues that have become capital improvement issues.
- b) Costs aligned with purposes numbers 1, 2 and 3, of Article XII, Section I, of the Hawaii State Constitution relating to: "... (1) development of home, agriculture, farm and ranch lots; (2) home, agriculture, aquaculture, farm and ranch loans; and (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..." which the Supreme Court ruled as political in nature and could not be judicially determined.

DHHL SUPPLEMENTAL BUDGET REQUEST - FISCAL YEAR 2025

The proposed FY25 supplemental budget request for the Department of Hawaiian Home Lands totals 234.00 full time equivalent (FTE) positions and \$532,539,332 in funds (Attachment E). This includes a request for new positions and funds for 22.00 general fund FTE and funds and 6.00 federal fund FTE along with \$40,272,962 in general funds and \$426,586,500 in general obligation bonds. A discussion of the request is below.

PURPOSE 4 OF ARTICLE XII, SECTION I: ADMINISTRATIVE AND OPERATING COSTS

Personnel Request

The 234.00 FTE counts and funds are based on a base amount of 206.00 FTE as appropriated in Act 164, SLH 2023 for FY25. The remaining 28.00 FTE is a request for new positions. An explanation of the additional 28.00 FTE is as follows:

- **22.00 FTE** - The Department has also determined that our district offices are not adequately staffed. Accordingly, an additional 22.00 general funded positions and \$1,172,800 in personnel funds are requested. Details of the 22.00 general fund positions and personnel costs are as follows:

District Office	# of Positions	Total Funding Request
Oahu (ODO)		
Office Assistant	3.00	\$115,200
Homestead Assistant	4.00	\$188,000
Compliance Officer	1.00	\$61,000
West Hawai'i (WHDO)		
Land Agent	1.00	\$70,000
Compliance Officer	1.00	\$61,000
East Hawai'i (EHDO)		
Office Assistant	1.00	\$38,400
Land Agent	1.00	\$70,000
Compliance Officer	1.00	\$61,000
Kaua'i (KDO)		
Office Assistant	1.00	\$38,400
Land Agent	1.00	\$70,000
Compliance Officer	1.00	\$61,000
Maui (MDO)		
Office Assistant	1.00	\$38,400
Land Agent	1.00	\$70,000
Compliance Officer	1.00	\$61,000
Moloka'i (MODO)		
Office Assistant	1.00	\$38,400
Land Agent	1.00	\$70,000
Compliance Officer	1.00	\$61,000
Total Request	22.00	\$1,172,800

- **6.00 FTE** - Our federally supported Native American Housing Assistance Self Determination Act (NAHASDA) program, which is budgeted in program ID HHL602 (Planning & Development for Hawaiian Homesteads), is requesting a budgetary housekeeping measure to add 6.00 positions to the budget. Departments are allowed to create positions through administrative procedures as necessary and as allowable under the respective federal grant or entitlement ceilings. The request to add the 6.00 positions and \$0 funds is a budget housekeeping measure for previously created positions.

The Department is also requesting \$1,200,162 which represents a restoration of personnel funding that was previously cut from the Department's budget. In Act 88, SLH 2021, the Department's FY22 appropriated budget included 206.00 positions, which included a restoration of funding for 14.00 out of a previously unfunded 54.00 positions. In the following session Act 248, SLH 2022 restored funding for an additional 21.00 positions in the FY23 appropriation. In the 2023 legislative session, the Department requested a

restoration of funding for the remaining 19.00 unfunded positions; the request was not approved.

Administrative & Operating Request

In the proposed FY25 request, the Department's current FY25 appropriation, as provided in Act 164, SLH 2023, (Attachment A-1) was used as a base line for the "Other Current Expenses" category. That baseline was then adjusted to exclude costs related to the development of homestead lots, loans, and rehabilitation projects. Consequently, the base budget was adjusted for debt service costs, loans, and grants. The FY25 appropriation for "Other Current Expenses" totals \$20,308,571. Attachment A-1 provides budget details (by object code) for the Department's operating costs as approved by the Commission on June 26, 2023.

Ongoing repairs and maintenance for infrastructure on Hawaiian home lands totals \$17,900,000 for FY25 and is requested as a separate general fund "Repair and Maintenance". Attachment A-2 lists these general funded R&M projects being requested for FY25.

DHHL's initial CIP general obligation bond request relating to repairs and maintenance of infrastructure on Hawaiian home lands is made as a lump sum request totaling \$228,086,500 for FY25 (See Attachment A-3).

Recent fires throughout the state have brought a greater focus on brushfire prevention, maintenance, response, and recovery. To ensure that we can attain the proper resources to maintain our land and protect our homestead communities, \$20,000,000 is included as part of the FY25 request.

A summary of the Department's request for new resources for Purpose 4 can be found in Attachment A. Figures 1 and 2 below reflect a summary of the discussion. Figure 1 shows the Department's request for new positions and funding. Figure 2 shows the Department's Purpose 4, Administration & Operating Costs, total budget request for FY25.

Figure 1: Summary of Requests for New Resources

FY25 DHHL Request for New Resources (All MOF): Purpose 4		
<u>Item</u>	<u>Position Request</u>	<u>Funding Request</u>
District Office personnel	22.00	\$1,172,800
NAHASDA FTE	6.00	\$0
Restoration of personnel funding	0.00	\$1,200,162
Wildfire response, recovery, prevention & maint.	0.00	\$20,000,000
Repairs & Maintenance (General funds)	0.00	\$17,900,000
Repairs & Maintenance (GO Bonds)	0.00	\$208,086,500
Total Request for New Resources	28.00	\$248,359,462

Figure 2: Summary of DHHL FY25 Purpose 4 Budget Request.

FY25 DHHL Budget Request (All Means of Financing): Purpose 4 –			
	<u>FY25</u> <u>FTE</u>	<u>FY25</u> <u>Funds</u>	<u>MOF*</u>
Administrative & Operating Budget Request (Attachment A)	222.00	\$67,069,062	A
R&M Infrastructure (Operating Budget) (Attachment A-2)	0.00	\$17,900,000	A
R&M Infrastructure (CIP Budget) (Attachment A-3)	0.00	\$228,086,500	C
Total Administration and Operating Budget Request	222.00	\$313,055,562	All MOF

A – General Funds C – General Obligation Bonds

**PURPOSES 1, 2, 3 OF ARTICLE XII, SECTION I:
LOT DEVELOPMENT, LOANS AND REHABILITATION PROJECTS**

The proposed supplemental budget request for Purposes 1 (Lot Development), 2 (Loans), and 3 (Rehabilitation Projects) of Article XII, Section total \$343,724,096 for FY 25, Figure 3 below. Details of the request are shown in Attachments B (Lot Development), C (Loans), and D (Rehabilitation Projects).

Figure 3: Summary of Purpose 1, 2, and 3 Sufficient Sums Request

DHHL Budget Request: Purpose 1, 2, 3 – State Constitution, Article XII, Section 1		
	<u>FY25</u>	<u>MOF</u>
Purpose 1: Lot Development (Attachment B)	\$198,500,000	C
Purpose 2: Loans (Attachment C)	\$73,100,000	C
Purpose 3: Rehabilitation Projects A&O (Attachment D)	\$15,384,096	A
Purpose 3: Rehabilitation Projects CIP (Attachment D)	\$56,740,000	C
Total	\$343,724,096	All MOF

A Homestead Leaders Puwalu and Conference was held in August 2018 that brought native Hawaiian beneficiary leaders state-wide together to provide input on island and regional priorities for inclusion in DHHL's biennial budget (fiscal biennium 2019-2021). Due to the COVID-19 pandemic, a Puwalu discussion was not held in 2020, 2021 or 2022; nonetheless, many of the projects identified as part of the prior Puwalu in 2018 have not been funded and continue to be a priority in communities statewide. In addition, DHHL updates regional plans documenting current conditions and trends as well as analyzing state and county plans to identify a prioritized list of projects important to the community.

A portion of the Purpose 3 rehabilitation projects that arose as a result of the Puwalu discussions, includes projects that we recommend that organizations request grants-in-aid (GIA) funding that is separately appropriated by the Legislature. The Department will provide information to the Administration and the Legislature on any GIA project

requests that may be coming forward from community organizations and non-profits. GIA requesters will still need to go through the normal GIA process to secure funding.”

The Commission's approval of the FY25 budget request is respectfully requested.

Attachments:

Attachment A FY25 Administrative & Operating Request for New Resources

Attachment A-1 FY25 “Other Current Expenses” Budget Details

Attachment A-2 FY25 General Funded Infrastructure Repairs and Maintenance Request

Attachment A-3 FY25 General Obligation Bonds Infrastructure Repairs and Maintenance Request

Attachment B FY25 Lot Development Request

Attachment C FY25 Loans Request

Attachment D FY25 Rehabilitation Projects Request

Attachment E FY25 “Sufficient Sums” Budget Request

FY25 Request for New Positions and Funds

FY 25 Request for Additional Funding				
Program		MOF	Pos.	Funds
Additional District Office Personnel	HHL625	A	22.00	\$ 1,172,800
Additional FTE Counts for NAHASDA	HHL602	N*	6.00	\$ -
Restoration of Personnel Funding	HHL625	A	0.00	\$ 1,200,162
Wildfire response, recovery, prev. & maint.	HHL625	A	0.00	\$ 20,000,000
Repairs & Maintenance	HHL625	A	0.00	\$ 17,900,000
Repairs & Maintenance	HHL602	C	0.00	\$ 208,086,500
		A	22.00	\$ 40,272,962
		N	6.00	\$ -
		C	0.00	\$ 208,086,500
Total Request for Addl Funding All MOF			28.00	\$ 248,359,462

*NAHASDA has a total of 6.00 FTE, an additional 6.00 FTE are being requested for budgetary housekeeping purposes. All 12.00 FTE are funded through NAHASDA federal funds

A	General
C	General Obligation Bonds
N	Federal

PURPOSE 4: Administration and Operating Costs

Act 164/23 appropriated "Other Current Expenses" budget as previously reviewed and approved by the Hawaiian Homes Commission on 6/27/23

Object Code	Description	General Fund	Administration Account	Operating Fund	Operating Fund (Non App)	Total Budget
				Operating Portion	Operating Portion	
2900	Other Personal Services	180,000	49,000	0	500,000	729,000
3010	Operating Supplies - Gas & Oil Supplies	85,032	0	10,000	43,348	138,380
3020	Operating Supplies - Fuel & Oil Other	3,050	0	4,500	30,000	37,550
3030	Operating Supplies - Janitorial	10,480	0	6,048	500	17,028
3090	Operating Supplies - Others	17,880	0	7,925	15,509	41,314
3100	Maintenance Materials Supplies & Parts	5,600	0	0	101,000	106,600
3200	Office Supplies	45,150	0	0	74,300	119,450
3400	Other Supplies	11,366	0	2,500	8,000	21,866
3500	Dues and Subscriptions	3,262	2,000	0	11,500	16,762
3600	Freight and Delivery Charges	770	0	600	7,000	8,370
3700	Postage	139,740	0	550	56,250	196,540
3800	Telephone	130,610	0	600	0	131,210
3900	Printing and Binding	45,000	0	3,500	126,450	174,950
4000	Advertising	32,200	0	500	29,500	62,200
4100	Car Mileage	15,300	2,700	0	0	18,000
4200	Transportation, Intrastate	165,200	70,000	0	121,000	356,200
4300	Subsistence Allowance, Intra-State	78,970	103,500	0	4,000	186,470
4400	Transportation, Out of State	28,250	31,750	0	4,000	64,000
4500	Subsistence Allowance, Out of State	30,500	29,000	0	2,000	61,500
4600	Hire of Passenger Cars	31,100	44,850	0	3,000	78,950
5000	Electricity	119,554	951,946	149,100	408,100	1,628,700
5100	Gas	500	0	0	0	500
5200	Water	95,500	240,000	60000	0	395,500
5200	Water - Subdivisions	0	100,000	0	0	100,000
5600	Rental of Equipment	93,650	0	4,500	1,000	99,150
5700	Other Rentals	1,774,500	0	0	0	1,774,500
5810	Repairs- Data Processing	14,000	0	0	0	14,000
5815	Maintenance - Data Processing	341,000	0	0	0	341,000
5820	Repairs- Equipment, Building, etc.	50,300	0	13,500	91,110	154,910
5825	Maintenance- Equipment, Building, etc.	158,600	0	198,050	85,972	442,622
5830	Repairs- Motor Vehicles	36,500	0	3,000	17,500	57,000
5835	Maintenance- Motor Vehicles	105,750	0	5,000	9,500	120,250
5840	Maintenance-Unencumbered Lands & Othr	0	661,840	160,225	50,000	872,065
5855	Maintenance-Subdivisions	0	0	0	650,000	650,000
5895	Maintenance-Other Miscellaneous	54,284	0	0	7,000	61,284
5900	Insurance	29,000	0	0	0	29,000
6500	Other Grants in Aid	617,000	0	0	0	617,000
7110	Services Fee Basis	58,000	1,846,623	2,928,936	4,211,241	9,044,800
7230	Training Costs	10,000	25,000	2,000	87,000	124,000
7290	Other Current Expenditures	200,000	500	22,000	24,950	247,450
7700	Machinery and Equipment	0	606,000	157,500	45,000	808,500
7700	Motor Vehicle	0	60,000	0	100,000	160,000
TOTAL CURRENT EXPENDITURES AND EQUIPMENT		4,817,598	4,824,709	3,740,534	6,925,730	20,308,571

PURPOSE 4: Administrative and Operating Costs
General Fund Infrastructure Repairs and Maintenance
FY25 HHC Sufficient Sums Request

ISLAND	AREA	PROJECT TITLE	PHASE	FY25
HI	Honokaia	Honokaia Water Maintenance	DC	100,000
HI	Honomu	Honomu Drainage Detention Maintenance	DC	100,000
HI	Kau-Kamoa	Kau-Kamoa Water Maintenance	DC	100,000
HI	Kawaihae	Existing Potable Water System	DC	200,000
HI	Laiopua	Laiopua Landscape/Fencing Maint	DC	100,000
HI	Pu'ukapu	Non-Potable Water System	DC	500,000
KA	Anahola	Anahola Drainage Detention	DC	100,000
KA	Anahola	Anahola Landscape/Fencing Maint	DC	100,000
KA	Anahola	Anahola Water Maintenance	DC	100,000
KA	Hanapepe	Hanapepe Drainage Detention	DC	100,000
MA	Honokowai	Honokowai Road Maintenance	DC	500,000
MA	Kahului	Waiehu Kou Drainage Detention	DC	200,000
MA	Kahului	Waiehu Kou Landscape/Fencing Maint	DC	100,000
MA	Kula	Waiohuli Drainage Detention	DC	400,000
MA	Leialii	Leialii Landscape/Fencing Maint	DC	200,000
MA	Pu'unani	Pu'unani Landscape/Fencing Maint	DC	100,000
MO	Hoolehua	Hoolehua Road Maintenance	DC	5,000,000
MO	Kalamaula	Kalamaula Landscape/Fencing Maint	DC	200,000
MO	Kalamaula	Kalamaula Road Maintenance	DC	400,000
MO	Kalamaula & Kaoaake	Sea Level Rise Planning	P	250,000
MO	Kalamaula	Kalamaula Drainage Study	P	1,000,000
OA	Kapolei	Kapolei Drainage Detention	DC	250,000
OA	Kapolei	Maluohai Traffic Mitigation	D	150,000
OA	Kapolei	Kanehili Sidewalk and Stormwater Basin Repairs	C	200,000
OA	Kapolei	Kaupea Sidewalk and Stormwater Basin Repairs	C	100,000
OA	Kapolei	Maluohai Sidewalk and Stormwater Basin Repairs -	C	100,000
OA	Nanakuli	Nanakuli Road Maintenance	DC	1,000,000
OA	Nanakuli	Nanakuli Traffic Mitigation, Phase 2	D	250,000
OA	Nanakuli	Sidewalk and Stormwater Basin Repairs - Nanakuli	C	500,000
QA	Nanakuli	Cemetery Maintenance	C	100,000
OA	Papakolea	Papakolea Drainage Detention	DC	100,000
OA	Papakolea	Papakolea Road Maintenance	DC	500,000
OA	Papakolea	Pedestrian Improvements	DC	100,000
OA	Princess Kahanu	Princess Kahanu Drainage	DC	200,000
OA	Princess Kahanu	Princess Kahanu Road Maintenance	DC	100,000
OA	Waianae	Princess Kahanu Estates Concrete Spall and Fencing	DC	750,000
OA	Waianae	Princess Kahanu Estates Traffic Mitigation	D	250,000
OA	Waimanalo	Waimanalo Drainage Detention	DC	100,000
OA	Waimanalo	Kumuhau Detention Basin Restoration/ Repair	C	100,000
QA	Waimanalo	Waimanalo Road Maintenance	DC	200,000
SW	Statewide	Cesspool Assessments (Waianae, Nanakuli & Waimanalo)	D	1,000,000
SW	Statewide	Environmental Mitigation and Remediation on HHL	PDC	2,000,000
		Total - Purpose 4		17,900,000

P = Planning: D = Design C = Construction

G.O. Bonds Infrastructure Repairs and Maintenance

FY25 HHC Budget Request

ISLAND	AREA	PROJECT TITLE	PHASE	Request FY25
HI	Kaumana	Kaumana Drainage Maintenance	D C	100,000
HI	Kawaihae	Kawaihae Water: Production, Storage & Transmission	P	750,000
HI	Keaukaha	Keaukaha New Sewers/Conversions Improvements	D C	20,000,000
HI	Lalamilo	Lalamilo Phase 1 Kawaihae Road Improvements	D C	300,000
HI	Lalamilo	Lalamilo New Sewers/Conversions Improvements	D C	3,000,000
HI	Panaewa	Panaewa New Sewers/Conversions Improvements	D C	3,100,000
HI	Puukapu	Puukapu Non-Potable Water System Improvements	D C	250,000
HI	Puukapu	Puukapu Road Improvements	D C	1,000,000
HI	Keaukaha	Keaukaha Road Improvements	D C	1,900,000
HI	Hilo	General Maintenance for Various Sites in Hilo	C	28,500
HI	Islandwide	Hawaii Cesspool Assessment	D	775,000
KA	Anahola	Anahola Fire Station	P D	50,000
KA	Anahola	Farm Lots, New Backup Well Improvements	D C	3,000,000
KA	Anahola	Anahola Dam & Reservoir Improvements	C	100,000
KA	Hanapepe	Hanapepe Drainage Improvements	D C	100,000
KA	Anahola	General Maintenance for Piilani Mai Ke Kai	C	175,000
LA	Lanai	Lanai Drainage Improvements	D C	500,000
MA	Kahului	Waiehu Kou Drainage Maintenance (Fire Break Clearing)	D C	200,000
MA	Kahului	Waiehu Kou New Sewers/Conversions Improvements	D C	1,000,000
MA	Kahului	Waiehu Kou Sewer, Pump Station Upgrades Improvements	D C	50,000
MA	Kula	Waiohuli Drainage Improvements	D C	500,000
MA	Kula	Waiohuli New Sewers/Conversions Improvements	D C	2,000,000
MA	Islandwide	Maui Cesspool Assessment	D	350,000
MA	Islandwide	General Maintenance for Various Sites on Maui	C	535,000
MO	Hoolehua	Hoolehua Water System Improvements - Equipment	E	1,000,000
MO	Kalamaula	Kalamaula Drainage Improvements	D C	2,000,000
MO	Kalamaula	Kalamaula Water Imp	D	400,000
MO	Kalamaula	Kalamaula New Sewers/Conversions Improvements	D C	2,000,000
MO	Kapaakea-One Alii	Kapaakea-One Alii Drainage Improvements	D C	2,000,000
MO	Kapaakea-One Alii	Kapaakea-One Alii New Sewers/Conversions Improvements	D C	4,000,000
MO	Islandwide	H&H Drainage Study	D	325,000

G.O. Bonds Infrastructure Repairs and Maintenance

FY25 HHC Budget Request

ISLAND	AREA	PROJECT TITLE	PHASE	Request FY25
MO	Islandwide	General Maintenance for Various Sites on Molokai	C	175,000
OA	Kapolei	Kapolei Sewer Repairs Improvements	D C	1,000,000
OA	Nanakuli	Nanakuli Concrete Spall and Fencing	D C	5,000,000
OA	Nanakuli	Nanakuli Drainage Improvements	D C	5,000,000
OA	Nanakuli	Nanakuli Sewer Improvements	C	40,000,000
OA	Nanakuli	Rehabilitation of School Seawall Improvements	C	4,000,000
OA	Papakolea	Papakolea Drainage Improvements	D C	5,000,000
OA	Papakolea	Papakolea Sewer Repair Improvements	D C	1,000,000
OA	Papakolea	Papakolea Sewer Improvements Phase 2	C	20,000,000
OA	Papakolea	Kapahu St & Auwaiolimu St Slope Maintenance	C	150,000
OA	Princess Kahanu	Princess Kahanu Sewer Repair Improvements	C	15,000,000
OA	Waimanalo	Waimanalo Bell Street Drainage Improvements	D C	7,000,000
OA	Waimanalo	Waimanalo Drainage Improvements, Ph2	C	500,000
OA	Waimanalo	Waimanalo Dirt Drainage Fire Break Clearing & Maint.	DC	200,000
OA	Waimanalo	Waimanalo Relining of Concrete Flood Channel, Ph 2	DC	8,000,000
OA	Waimanalo	Kakaina & Kumuhu Subdivision Sewer Repairs	C	2,000,000
OA	Waimanalo	Waimanalo Sewer Repair Improvements	C	18,000,000
OA	Islandwide	Fence Installation	C	3,000,000
OA	Islandwide	Sewer Spill Response	C	45,000
OA	Islandwide	Towing Service	C	50,000
OA	Islandwide	Street Light Maintenance	C	100,000
OA	Islandwide	Street Sign Maintenance	C	100,000
OA	Islandwide	Tree Trimming Maintenance	C	150,000
OA	Islandwide	General Maintenance for Various Sites on Oahu	C	1,028,000
SW	Statewide	Wildfire Response, Recovery, Prevention & Maintenance	C	20,000,000
SW	Statewide	Geographic Information System (GIS)	P	100,000

		Act 164/23 FY25 Appropriation		20,000,000
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TOTAL - Purpose 4**\$228,086,500****Means of Financing: General Obligation Bonds**

P = Planning D = Design C = Construction E = Equipment L = Land Acquisition

PURPOSE 1: Lot Development
FY25 HHC Budget Request

ISLAND	AREA	PROJECT TITLE	LOTS	PHASE	Request FY25
HI	Honokaia	Honokaia Water System		C	1,300,000
HI	East Hawaii	East Hawaii Development (Piihonua, etc.)		P	1,000,000
HI	Ka'u	Ka'u Agricultural Lots (Pu'ueo)	50	P D	1,000,000
HI	Ka'u	Ka'u Farm and Ranch Lots Site Improvements (Kamaoa)	25	D C	2,000,000
HI	Kawaihae	Kawaihae Water Production, Storage & Transmission		P D	2,000,000
HI	Kawaihae	Emergency Access Road		P D	2,000,000
HI	Kealakehe	Laiopua Utility and Infrastructure Changes		C	500,000
HI	Keaukaha	Hilo Community College Model Home	1	C	450,000
HI	Keaukaha	Scattered Lots		C	5,000,000
HI	Kona	North Kona Exploratory Well		P D	2,000,000
HI	Kona	North Kona Well, transmission, storage (600 lots)		D C	45,000,000
HI	Lalamilo	Lalamilo Phase 2A, Increment 2	80	D C	16,500,000
HI	Panaewa	Panaewa Lot 184	6	C	2,000,000
HI	Puukapu	Puukapu Pastoral Lots Pump and Electrical Facilities		D C	1,500,000
HI	Island-wide	UXO Mitigation and Construction Support		C	1,000,000
KA	Anahola	Piilani Mai Ke Kai Phase 3	40	D	1,000,000
KA	Anahola	Anahola Residence Lots, Units G & G-1	30	D	750,000
KA	Hanapepe	Hanapepe Residential Subdivision Phase 3 Offsite Dev		P D C	15,000,000
KA	Hanapepe	Hanapepe Residential Subdivision Phase 3	250	D	4,000,000
KA	Moloaa	Moloaa Ag and Pastoral Lots	47	P D	1,000,000
KA	Wailua	Wailua Second Well Exploration		P D	1,000,000
KA	Wailua	Wailua Residential Lots Masterplan	200	P	1,000,000
MA	Honokowai	Honokowai Water Non-potable Improvements		D C	4,000,000
MA	Honokowai	Honokowai Water System Improvements, offsite storage		C	4,000,000
MA	Keokea-Waiohuli	Keokea-Waiohuli Phase 3 Site Improvements	75	DC	1,000,000
MA	Pulehunui	Pulehunui Site Improvements & Infrastructure		D C	4,000,000
MA	Pulehunui	Pulehunui Regional Infrastructure Masterplan		P	3,000,000
MA	Wakiu	Wakiu Development Plan		PDC	500,000
MA	Hoolehua	Naiwa Ag lots (Acceleration Awards)	50	D C	25,000,000
MO	Hoolehua	Hoolehua Scattered Agriculture Lots	8	C	3,000,000
MO	Kalamaula	Kalamaula Farm Lots Water Improvements		PD	3,000,000
SW	Statewide	Environmental Mitigation and Remediation on HHL		P D C	4,000,000
SW	Statewide	Acquisition: Land and/or Building Purchase		L	40,000,000
		TOTAL - Purpose 1	1,627		\$198,500,000

P = Planning D = Design C = Construction E = Equipment L = Land Acquisition

Purpose 2: Loans
FY25 Sufficient Sums Budget Request

Purpose	FY25
Mortgage Capitalization for Gap Group and Low to Moderate Income Families	37,500,000
Interim Financing (for Turnkey)	32,400,000
Debt Service - Revenue Bonds	3,200,000
Total	73,100,000

PURPOSE 3: Rehabilitation Projects
FY25 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY25		
				DHHL		GIA
				OPERATING	CIP	
Hawaii	Kaumana	Community Center	Planning			
Hawaii	Piihonua	Community Pasture	Planning	25,000		
Hawaii	Panaewa	Kamoleao Infrastructure & Bldg	Construction			4,500,000
Hawaii	Keaukaha Panaewa	Agricultural Education Center	Planning			10,000,000
Hawaii	Makuu	Community Center	Construction			6,000,000
Hawaii	Keaukaha	Community Pavilion	Planning			1,500,000
Hawaii	Kamaoa Puueo	Water Master Plan Implementation	Construction		5,000,000	
Hawaii	Kamaoa Puueo	Cultural & Natural Resource Land Mgmt Implementation			3,000,000	
Hawaii	Waimea	WHHCC Ag Complex Infrastructure	Construction			3,000,000
Hawaii	Waimea	WHHCC Cemetery	Design			500,000
Hawaii	Waimea	Finalizing Access Road to Lalamilo Phase I			2,500,000	
Hawaii	Waimea	WHHC Operations				180,000
Hawaii	Waimea	Research and develop criteria for unpermitted structures		75,000		
Hawaii	Kailapa	Community Resource Ctr/Emergency Shelter				1,000,000
Hawaii	Kawaihae	Water Development	Planning		500,000	
Hawaii	Kailapa	Emergency Access Road	Planning and EA		500,000	
Hawaii	Kailapa	Community Assn Operations				50,000
Hawaii	North Kona	Water Source development (\$40,000,000)	Design and Construction			
Hawaii	Laiopua	Address the beneficiaries not served by Village 4 Akau development (\$14,000,000)	Construction			
Hawaii	Honokohau	Initiate Commercial Development of DHHL Lands Near Honokohau Harbor				500,000
Hawaii	Kona	Establish a DHHL Kona District Office		369,996		
Kauai	Puu Opae	Refurbish existing irrigation system				250,000
Kauai	Puu Opae	Farm equipment for education program				200,000
Kauai	Puu Opae	Training, processing, storing and repair facility				

PURPOSE 3: Rehabilitation Projects
FY25 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY25		
				DHHL		GIA
				OPERATING	CIP	
Kauai	Puu Opae	Road Improvements			200,000	
Kauai	Puu Opae	Temporary lodging				
Kauai	Anahola	Irrigation System (\$1,000,000)	Planning & Design			
Kauai	Wailua	Access to surface/ground water			100,000	
Kauai	Kekaha	Ag with homestead		10,000		
Kauai	West Kauai	Multi-Purpose: Evacuation & Education Ctr			500,000	
Kauai		Study drug rehab facilities within the community				
Kauai		Educational programs				
Kauai		Bring assn's together to collaborate (\$100,000)*				
Kauai	Hanapepe	Ag land			250,000	
Lanai		Award remaining 16 residential homestead lots			100,000	
Lanai		Establish homestead community association		50,000		
Lanai		Interim Use of Undeveloped Land				
Lanai		Acquire additional lands for ag and pastoral homesteads				
Maui	All Homesteads	Community Beautification: clean-up debris and abandoned vehicles		200,000		
Maui	All Homesteads	Lot Development & Road Repair	Equipment		2,500,000	
Maui	All Homesteads	Maui Homeowner Financial Education		250,000		
Maui	Keokea	Farmers Marketplace & Community Center	Design and Construction			11,000,000
Maui	Keokea	Water sourced infrastructure for potable and nonpotable water	Planning, EA & Construction		4,750,000	
Maui	Keokea-Waiohuli	Community Based Planning for Cultural Preserves	Survey, Research, Planning & Dev		300,000	
Maui	Keokea-Waiohuli	Safety Awareness Program		200,000		
Maui	Keokea-Waiohuli	Speed humps on Ahulua St.			100,000	
Maui	Waiohuli UI	Acquire Lands for Community Development			150,000	

PURPOSE 3: Rehabilitation Projects
FY25 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY25		
				DHHL		GIA
				OPERATING	CIP	
Maui	Paukukalo	Armory Site Development	Planning, Design and EA		150,000	
Maui	Paukukalo	Pihana Heiau Restoration	Planning and EA			
Maui	Paukukalo	Park Beautification and Upgrades	Playground equipment, courts		500,000	
Maui	Waiehu Kou	Community Center & Bus Stop				
Maui	Waiehu Kou	Landscaping Maintenance Contract		150,000		
Maui	Waiehu Kou	Community Garden - Water Development			30,000	
Maui	Waiehu Kou	Drainage Basins - siltation clean up (\$3,500,000)				
Maui	Kahikinui	Community Center/Pavilion			1,000,000	
Maui	Kahikinui	Community Economic Center and Hale Pili	Planning & EA	250,000		
Maui	Kahikinui	Road Construction and Repair			5,000,000	
Maui	Kahikinui	Road Development and Repair	Equipment		400,000	
Maui	Kahikinui	Fog Catchment System: Phase 2	Distribution System		750,000	
Maui	Kahikinui	Water Storage (water tanks)			150,000	
Maui	Kahikinui	Community Pasture Paddocks/Fencing	Design & Construction	250,000		
Maui	Kahikinui	Stewardship Economy			250,000	
Maui	Kahikinui	Ungulate Removal and Reforestation		60,000		
Maui	Leialii	Neighborhood Park	Planning & Design		100,000	
Maui	Honokowai	Community Subsistence Ag Program Development	Education, Training, Ag program	50,000		
Maui	Honokowai	Ag Education and Training	Facility and Program Dev		50,000	

PURPOSE 3: Rehabilitation Projects
FY25 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY25		
				DHHL		GIA
				OPERATING	CIP	
Maui	Honokowai	R-1 Water for Ag Irrigation	Research, Planning and Dev		10,000,000	
Maui	Pulehunui	Community-Based Economic Dev			15,000,000	
Molokai	Ualapue	DHHL Kuleana Homestead Project and Cultural Resources Management Plan	Design and Construction		TBD	
Molokai	Hoolehua	Hale Improvements				1,000,000
Molokai		Water Rate Assessment and Legal Analysis of Beneficiary Rights regarding Potable Water Rate Disparities				
Molokai		Shared Farm Equipment for Agricultural Lessees				
Molokai		Road Improvements				
Molokai	Malama Park	Master Plan Implementation & Maintenance	Maintenance	500,000		
Molokai	Kiowea Park	Complete Pavilion Project				750,000
Oahu	Papakolea	Native Hawaiian Education & Culture Community Ctr	Planning & Design			1,000,000
Oahu	Papakolea	Build a New Community Center	Planning & Design			1,000,000
Oahu	Papakolea	Hawaiian Homestead Kupuna Supportive Living Ctr			250,000	
Oahu	Papakolea	Care Home for Kupuna	Planning			500,000
Oahu	Papakolea	Traffic Safety Program	Planning		250,000	
Oahu	Nanakuli/Waianae	Disaster Preparedness & Coordination	Planning	200,000		
Oahu	Nanakuli/Waianae	Improve Community Access to Non-Homesteading Areas	Planning & Design			
Oahu	Nanakuli	Street Repairs and Improvements for Health and Safety in the Region				
Oahu	Princess Kahanu	Traffic calming			60,000	
Oahu	Waianae	Homestead Infrastructure & Maintenance				
Oahu	Nanakuli	Establish Community-Based Education Programs				
Oahu	Nanakuli	Ocean Safety & Cultural education	Planning		250,000	

PURPOSE 3: Rehabilitation Projects
FY25 Budget Request

ISLAND	AREA	PROJECT COMPONENTS	PHASE	FY25		
				DHHL		GIA
				OPERATING	CIP	
Oahu	Nanakuli	Identify and Pursue Opportunities for "Pono Economic Development" and Community Action				100,000
Oahu	Princess Kahanu	Community center expansion	Land acquisition			
Oahu	Waianae	Increase Capacity for Specific Community-Based Projects	Planning			75,000
Oahu	Waianae Kai	Community Development				
Oahu	Waianae Valley	Coumbarium with large area for cultural uses	Plng and Dsgn		300,000	
Oahu	Waianae Valley	Kaupuni Park Development				
Oahu	Waianae	Safety & Community Enforcement				
Oahu	Kapolei	Create more open spaces, park spaces, and recreation spaces to support the Homestead Community	Planning		300,000	
Oahue	Kapolei	Create a Kupuna Living Community	Planning			200,000
Oahu	Kapolei	Support Heritage Center and Community Commerical Development (Previous Priority Project)				2,500,000
Oahu	Kapolei	Support the development of a Hawaiian-Focused School/Hawaiian Immersion School	Planning & Design			1,000,000
Oahu	Waimanalo	Emergency Evacuation and Street Extension			1,500,000	
Oahu	Waimanalo	Land Based Aquaculture Facilities				
Puwalu: Subtotal				2,639,996	56,740,000	46,805,000

Homeowner Affordability Initiative

5,000,000

Lease Cancellation Prevention/Financial Literacy

5,000,000

Native Hawaiian Development Program Plan

2,744,100

Total	15,384,096	56,740,000	46,805,000
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(A)

(C)

Means of Financing:

(A) General Funds

(C) General Obligation Bonds

* Projects are funded in other budgets

FY25 Total Budget Request

FY25 HHC Sufficient Sums Request

FY 2025 Appropriation Summary Act 164 SLH 2023			
Program	MOF	Pos.	Funds
HHL602 Planning & Dev. for Hawaiian Homesteads	A	0.00	\$10,000,000
	B	0.00	\$4,824,709
	N	6.00	\$23,318,527
	T	0.00	\$3,740,534
	W	0.00	\$7,000,000
	C	0.00	\$20,000,000
Program	MOF	Pos.	Funds
HHL625 Administration & Operating Support	A	200.00	\$16,796,100
Total Appropriation Act 164/23 by MOF	A	200.00	\$26,796,100
	B	0.00	\$4,824,709
	N	6.00	\$23,318,527
	T	0.00	\$3,740,534
	W	0.00	\$7,000,000
	C	0.00	\$20,000,000
Total Appropriation Act 164/23 All MOF		206.00	\$85,679,870

A General
B Special
C General Obligation Bonds
N Federal
T Trust
W Revolving

FY 25 Request for Additional Funding			
Program	MOF	Pos.	Funds
HHL602 Planning & Dev. for Hawaiian Homesteads	A	0.00	\$0
	B	0.00	\$0
	N	6.00	\$0
	T	0.00	\$0
	W	0.00	\$0
	C	0.00	\$406,586,500
Program	MOF	Pos.	Funds
HHL625 Administration & Operating Support	A	22.00	\$40,272,962
Total Request for Addl Funding by MOF	A	22.00	\$40,272,962
	B	0.00	\$0
	N	6.00	\$0
	T	0.00	\$0
	W	0.00	\$0
	C	0.00	\$406,586,500
Total Request for Addl Funding All MOF		28.00	\$446,859,462

Additional A&O funding request includes:

Add'l Personnel \$1,172,800
 19.00 Restoration \$1,200,162
 Fire Resources \$20,000,000
 R&M Funding \$17,900,000

FY 25 "Sufficient Sums" Budget Request			
Program	MOF	Pos.	Funds
HHL602 Planning & Dev. for Hawaiian Homesteads	A	0.00	\$10,000,000
	B	0.00	\$4,824,709
	N	12.00	\$23,318,527
	T	0.00	\$3,740,534
	W	0.00	\$7,000,000
	C	0.00	\$426,586,500
Program	MOF	Pos.	Funds
HHL625 Administration & Operating Support	A	222.00	\$57,069,062
Total FY25 Request by MOF	A	222.00	\$67,069,062
	B	0.00	\$4,824,709
	N	12.00	\$23,318,527
	T	0.00	\$3,740,534
	W	0.00	\$7,000,000
	C	0.00	\$426,586,500
Total FY25 Request All MOF		234.00	\$532,539,332

Additional GO Bond funding request includes:

Purpose 4 R&M \$208,086,500
 Purpose 1 Lot Development \$198,500,000

State of Hawai'i
DEPARTMENT OF HAWAIIAN HOME LANDS

September 18, 2023

TO: Chair Watson and Commissioners, Hawaiian Homes Commission
FROM: Brian K. Furuto, Acting Administrative Services Officer
SUBJECT: Transfer of Hawaiian Home Receipts Fund Balance – End of 1st Quarter, FY24

RECOMMENDED MOTION/ACTION:

Commission approval to transfer the entire receipts deposited in the Hawaiian Home Receipts Fund as of September 30, 2023, to the Hawaiian Home Administration Account.

DISCUSSION:

Section 213 (g) of the Hawaiian Homes Commission Act, 1920, as amended, reads in part as follows:

“(3) Hawaiian home receipts fund. All interest moneys from loans or investments received by the department from any fund except as provided for in each respective fund, shall be deposited into this fund. At the end of each quarter, all moneys in this fund may be transferred to the Hawaiian home operating fund, the Hawaiian home administration account, the Hawaiian home trust fund, and any loan fund in accordance with rules adopted by the department.”

Section 10-3-52(b) of the Title 10, DHHL Administrative rules, provides that:

“If the Commission fails to approve a plan for transfer, all moneys in the Hawaiian home receipts fund shall be transferred at the end of that respective quarter as follows:

- (1) Nine per cent to the operating fund; and,
- (2) Ninety-one per cent to the general loan fund.”

On September 8, 2023, the cash balance of the Hawaiian Homes Receipt Fund was \$627,703,37. The September 30, 2023, projected balance is \$700,000.00. Based on department expenditures for fiscal year 2024, it is recommended that cash receipts in the Hawaiian Home Receipts Fund for the quarter ending September 30, 2023, be transferred to the Hawaiian Home Administration Account.

State of Hawai'i
DEPARTMENT OF HAWAIIAN HOME LANDS

September 19, 2023

TO: Chair Watson and Commissioners, Hawaiian Homes Commission

FROM: Brian K. Furuto, Acting Administrative Services Officer

SUBJECT: Ratification of Emergency Purchase

RECOMMENDED MOTION/ACTION:

To ratify the Chairman's decision to expend \$960,000 to pay for emergency purchases and related costs that were made in August 2023 to address urgent Leali'i homestead community needs arising from the Lahaina/West Maui wildfires that occurred on August 8 and 9, 2023.

DISCUSSION:

The Lahaina/West Maui wildfires caused damage to the power and water transfer systems in the West Maui area. Electricity to the Leali'i Homestead community went out on August 8, 2023, and initial estimates for restoration from HECO ranged from 14-45 days. Leali'i community leaders immediately sprang into action and used their own resources, including their homes, to serve as meeting, communication, and supply staging points for the community. It was quickly determined that additional resources beyond goods and supplies would be necessary to aid the homestead.

Upon learning of the difficulties our homesteaders were facing, the DHHL Chair, Maui island Commissioner, and other department leadership met with the Council on Native Hawaiian Advancement (CNHA) and DHHL contractors. DHHL contractors quickly assisted and helped to procure critical equipment including a 50'12' trailer, 100 generators, dust fencing and dust control, portable toilets and other essential resources.

This purchase was important to ensure the safety and well-being of affected residents and to support the ongoing disaster response efforts. More importantly, they will remain critical assets for the community as recovery efforts progress.

The total amount that the Department will pay to contractors who assisted in the purchase is estimated to be \$960,000. Below is a summary of the expenditures.

Generators:

Quantity: 100 units

Total Cost: \$349,366.49

Justification:

The Lahaina Wildfires caused widespread power outages in the affected areas, leaving residents without access to essential electrical services. These diesel-powered generators were critical to provide immediate backup power for homesteaders. Ensuring a reliable power supply is essential for maintaining communications, medical equipment, and essential services during the crisis.

Boat Freight:

Total Cost: \$22,568.00

Justification:

Given the urgency of the situation, it is imperative to expedite the delivery of the generators to the affected areas. Boat freight provides the fastest and most efficient means of transportation to ensure that these generators reach Lahaina as quickly as possible. Timely delivery is crucial to addressing the immediate needs of the affected population.

Lease Rent for Trailer:

Duration: 12 months

Monthly Cost: \$2,455.19

Shipping and Set up: 8,725.01

Total Estimated Cost: \$38,187.29

Justification:

A 50'x12' trailer is necessary to serve as an all-purpose center for coordinating relief efforts. This trailer will provide a safe, secure and organized space for storing essential supplies, providing community meeting space, and serve as a location for support services. The three-month lease period aligns with the expected duration of the emergency response phase; however, it is expected that recovery for the community will take much longer. It is estimated that the trailer will be needed for at least 12 months.

Dust Fence

Total Estimated Cost: \$175,000

Justification:

Materials and labor costs for dust fencing. Dust fencing is important after a fire because it help in mitigating air pollution, protecting water quality and the environment, maintaining infrastructure, ensuring public safety, supporting habitat recovery, and complying with environmental regulations.

Sprinkler/Dust Control

Total Estimated Cost: \$100,000

A sprinkler system, or other dust control method, is essential after a wildfire because it serves as a valuable tool for fire suppression, protection of structures and property, ember control, and overall wildfire mitigation. It helps safeguard lives, property, and communities while reducing the risk of further fire damage in the aftermath of a wildfire.

Various Costs:

Total Estimated Cost: \$75,000

Justification:

Photovoltaic container to power the trailer, portable toilets, Rolloffs refuse bins, containers, and other miscellaneous costs, which may include customs fees, storage charges, and other incidentals related to the purchase and transportation of the the various purchases.

Potable Water

Total Estimated Cost: \$200,000

Justification:

Leali'i homestead is still without potable water; the community is currently drinking and cooking bottled water. There is no clear estimate as to when potable water will be restored to the community. Clean water is a necessity and essential to life. The department will work with the County of Maui and FEMA to ensure that an adequate supply of clean water is provided to the community.

**HAWAIIAN HOMES COMMISSION
SEPTEMBER 18 & 19, 2023**

**J – ITEMS
REQUESTS TO ADDRESS THE
COMMISSION**

Hawaiian Homes Commission

September 18 & 19, 2023

J Agenda

Requests to Address the Commission

- J-1 Skippy Ioane, Ainaaloha Ioane, Gracie Flores, Herman Costa, Nawai Laimana, Lehua Angay, John Waipa – MAHA (Mālama ka ‘Āina, Hana ka ‘Āina) Updates
- J-2 Kauilani Almeida -Pana‘ewa Hawaiian Home Lands Community Association
- J-3 Pat Kahawaiolaa – Keaukaha Community Association
- J-4 Ron Kodani- Affordable Housing -Pi‘ihonua Hawaiian Homestead Community Association
- J-5 Leila Kealoha, Lauae Kekahuna – Maku‘u Hawaiian Homesteads
- J-6 Jessie Wallace - Relocations
- J-7 Blossom Feiteira – Various Maui Concerns
- J-8 Keko Enomoto – Paupena Community Development Corporation
- J-9 Rae Nam – Anahola License Extension KKO
- J-10 Harold Vidinha – ROE Aliialoa Road, Kekaha, Hawaii
- J-11 Kahaunani Mahoe-Theone – Foreclosure and Lease Cancellation Prevention
- J-12 Lexy Gorgonio, Chelsea Enos, Troy Hanohano – Kanaka Anti Displacement Fund

From: [MAHA INC](#)
To: [Burrows-Nuuanu, Leatrice W](#)
Cc: [Yee Hoy, Louise K](#)
Subject: Re: [EXTERNAL] September J- Agenda request
Date: Wednesday, August 16, 2023 1:48:26 PM
Attachments: [image002.png](#)

Aloha Leah,
Im sorry for the changes.

Im going to ask aunty Kauai Alameda to do the J-Agenda with Uncle Pat for the sustainability/
wastewater injection at Puhi Bay. Can they go one after the other?

I have to use my J-Agenda time to do the MAHA updates. Here are the names of the other
MAHA J-Agenda testifiers, and then I will end with a short video clip of other MAHA
testifiers that could not physically attend.

Skippy Ioane
Gracie Flores
Herman Costa
Nawai Laimana
Lehua Angay
John Waipa

Mahalo,
Ainaaloha Ioane

On Sun, Aug 13, 2023 at 10:45 AM Burrows-Nuuanu, Leatrice W <leatrice.w.burrows-nuuanu@hawaii.gov> wrote:

|

Subject: New submission from Submit J-Agenda Testimony
Date: Monday, August 28, 2023 8:55:49 AM

Name

Kauilani Almeida

Email

kumukauilani@gmail.com

Message

Request to address the Commission on the J agenda on September 19, 2023 in Hilo. Update the Commission on the Panaewa Homestead Community as President of Panaewa Hawaiian Home Lands Community Association (PHHLCA).

From: [Pat Kahawaiolaa](#)
To: [Burrows-Nuuuanu, Leatrice W](#); [Michael Kaleikini](#); [Fisher, Olinda L](#)
Subject: [EXTERNAL] Address HHC
Date: Monday, September 04, 2023 1:05:51 PM

Aloha e Leah,

This is Patrick Kahawaiolaa, the current President of Keaukaha Community Association (KCA) and I am requesting the opportunity to speak on the J agenda regarding various concerns of the Keaukaha community association. I am also requesting time to speak to, and provide testimony to items on the agenda as soon one is published on the DHHL website.

I thank you for allowing me the courtesy to do so on September 18 and 19th 2023 at the Hawai'i Nanihoa resort with the annual Hawaiian Homes Commission is to be held in East Hawaii.

I can be reached at

'Owau
Patrick Kahawaiolaa

Sent from Gmail Mobile Keaukaha Smiles 'Owau me ka ha'a ha'a (I humbly remain) Patrick L. Kahawaiolaa

From: [Ron Kodani](#)
To: [Burrows-Nuuuanu, Leatrice W](#)
Cc: [Kama Lee Loy](#); [Kanoë Malani](#); [Doreen Kodani](#); [Pat Kahawaiolaa](#); [Craig Bo Kahui](#); [Kau'ilani Alameida](#); [Duncan Kaohu Seto](#); [Lauae Kekahuna](#); [Laura \(Kumele\) Acacio](#)
Subject: [EXTERNAL] Would like to request to be put on the J agenda
Date: Monday, September 04, 2023 7:59:46 PM

Aloha Leatrice,

I am asking to see if it would be possible to share some information with the Commission on the upcoming commission meeting in Hilo on September 18th and 19th. I would like to share with the commissioners on affordable housing proposals on DHHL lands located on the Lower Piihonua and the Upper Piihonua properties.

I have already brought Deputy Katie Ducatt and Commissioner Mike Kaleikini and his wife to view the lower Piihonua site and they were impressed with what they saw. All the infrastructure is in and it is basically a "shovel ready" project waiting to happen. Oh, by the way, I also took Oriana Laeo and Kaliko Chun to also tour this area.

A hui hou,

Ron Kodani, VP
Piihonua Hawaiian Homestead Community Association

J-5

From: [Maku'u Farmers Association](#)
To: [Burrows-Nuuuanu, Leatrice W.](#); [Lauae Kekahuna](#)
Subject: [EXTERNAL] Makuu Hawaiian Homesteads
Date: Monday, September 04, 2023 10:49:26 AM

Aloha Leah

Maku'u would like to testify at the next commission meeting. Please let us know how we do this.

Mahalo

Leila Kealoha

--

makuu.org

Subject: New submission from Submit J-Agenda Testimony
Date: Tuesday, August 29, 2023 9:28:45 AM

Name

Jessie Wallace

Email

kyra.castorwallace@gmail.com

Message

I would like to talk about relocation to commission.

From: [Kekoa Enomoto](#)
To: [Burrows-Nuuuanu, Leatrice W](#)
Subject: [EXTERNAL] J Agenda advocacy for inclusion in packet; mahalo
Date: Monday, September 11, 2023 4:30:38 PM

Aloha mai e Na Hawaiian Homes Commissioners,

Mahalo for this opportunity to advocate on behalf of the SCHHA (Sovereign Council of Hawaiian Homestead Associations) Maui/Lana'i Mokupuni Council, a consortium of 18 homesteads and affiliated associations on two islands.

I would like to speak in the context of the August 8 Lahaina wildfires, and of Gov. Josh Green's embattled Build Beyond Barriers Working Group that fast-tracks home construction.

The devastating West Maui wildfires destroyed more than 2,200 buildings — of which 86 percent, or 1,892, were homes — and displaced more than 11,000 people, according to Sept. 8 Reuters figures.

Meanwhile, DHHL is developing Lahaina homesteads: 250 residential lots at Leali'i 1-B, and 1,100 residential and agricultural parcels at Honokowai.

However, under current rules, DHHL would award these lots by date of application on Maui waitlists; thus, not necessarily addressing waitlist beneficiaries who had lost homes in the recent inferno.

Enter: Possible Administrative Rules changes to award lots with preference to those with lineal ties to a homestead area and, secondly, to those who live and/or work in a homestead area.

DHHL Planning Office staff met with East Maui beneficiaries August 5 and 6 to discuss such rules changes that, in the case of Lahaina, would ensure that wildfires-displaced waitlisters would have first right of refusal to West Maui lots. I support these prospective Administrative Rules changes.

As an individual, I also support the governor's Build Beyond Barriers Working Group expediting development of the Lahaina homestead subdivisions at Leali'i 1-B and Honokowai, to provide needed shelter for 1,350 native Hawaiian 'ohana amidst Maui's ongoing housing crisis.

Lastly, I invite all, both beneficiaries and Hawaiian Homes commissioners, to the daylong SCHHA HBA (Homestead Beneficiary Associations) Maui Relief Summit 10/20/23, and the three-day SCHHA annual conference starting 1/12/24, both events at the Maui Beach Hotel.

Mahalo nui,

-Kekoa Enomoto

2019-23 president,

Maui/Lana'i Mokupuni Council;

Chairwoman of the board,

Pa'upena Community Development Inc.

(808) 276-2713

From: stacelynn.k.eli@hawaii.gov
To: [Burrows-Nuuuanu, Leatrice W](#)
Subject: New submission from Submit J-Agenda Testimony
Date: Tuesday, September 05, 2023 4:19:34 PM

Name

Rachelle Nam

Email

rae.nam@kkoa.org

Message

Aloha - my name is Rachelle Nam and I would like to be placed on the J/agenda to give an update on Kukuku Kumuhana O Anahola's Ulupono Anahola Project.

I submitted this before but didn't get a confirmation yet.

From: stacelynn.k.eli@hawaii.gov
To: [Burrows-Nuuuanu, Leatrice W](#)
Subject: New submission from Submit J-Agenda Testimony
Date: Tuesday, September 05, 2023 2:04:03 PM

Name

Kahaunani Mahoe-Thoene

Email

kahau@hawaiiancommunity.net

Message

Aloha, I am writing to request the opportunity to testify via video to the Hawaiian Homes Commission regarding a foreclosure and lease cancellation prevention plan for lessees on Maui.

As Operations Director with over 10 years of experience in assisting our people prevent foreclosure, I will be speaking on the following recommendations on behalf of Hawai'i Community Lending:

- 1) Put in place a 12-Month Lease Cancellation Moratorium for Maui Lessees;
- 2) Offer 12-Month Mortgage Forbearance to all Maui Lessees with DHHL Direct Loans, and;
- 3) Consider contracting for foreclosure and lease cancellation prevention services to lessees in order to help them at this critical time.

Mahalo for the opportunity. I look forward to testifying on September 19.

From: stacelynn.k.eli@hawaii.gov
To: [Burrows-Nuuanu, Leatrice W](#)
Subject: New submission from Submit J-Agenda Testimony
Date: Tuesday, September 05, 2023 1:58:17 PM

Name

Lexy Gorgonio

Email

lexy@hawaiiancommunity.net

Message

Aloha, I would like to register to provide video testimony regarding the Kanaka Anti-Displacement Fund established by Hawai'i Community Lending.

The Fund's phase 1 objective is to first support the 102 'ohana in the Leiali'i homestead in preserving their stewardship and access to 'āina (land) on Maui. HCL's relationship with the Leiali'i 'ohana runs deep. We helped them get their mortgages to secure their place on the land in 2007 and 15 years later, we are here to make sure they stay on the land. In phase 2, HCL will seek to expand the Fund's reach to serve the remaining 169 kākā homeowners who were impacted.

Under the Fund, HCL 'Ohana Advocates will first meet with homeowners to help them request a copy of their certified policy active on the date of the disaster from their insurance company. At the same time, the homeowner will be referred to various resources: 1) HCL loss mitigation specialists to obtain mortgage forbearances, modifications, or grants and loans to pay past due mortgage, HOA fees, property taxes, and utilities, 2) a Hawaiian Community Assets (HCA) HUD certified housing counselor to establish a crisis budget, 3) a trained FEMA application assistant to file for disaster assistance and appeal denials, and 4) a public insurance adjuster (PA) who will review homeowner policies to educate them on what is covered and create a documentation list needed for submission of an insurance claim. 'Ohana Advocates will help homeowners collect required documents and prepare an insurance claim. Homeowners may then retain the PA to act on their behalf to submit a claim and negotiate with their insurance company.

I have submitted more information about the fund and look forward to presenting at the September 18th meeting. Mahalo,

File

- [Kanaka-Anti-Displacement-Fund.pdf](#)

Kānaka Anti-Displacement Fund

The goal of the Kānaka Anti-Displacement Fund is to prevent displacement of indigenous kānaka maoli from Maui and other areas in Hawai'i impacted by natural and human made disasters.

The Maui wildfire disaster temporarily displaced 271 kānaka (Native Hawaiian) homeowners from their land in Lahaina. Our people will need financial support and expertise to secure insurance claim monies and disaster assistance necessary to stay in place and rebuild. Unfortunately, kānaka may not have the funds to afford the costs of submitting a claim in the first place or to appeal insurance and FEMA denials. Without access to support and expertise, our people will be displaced from their homelands and potentially, from Hawai'i altogether.

The Fund has been established by Hawai'i Community Lending (HCL), a US Treasury certified native CDFI, to provide deferred payment loans and technical assistance for impacted kānaka homeowners to maximize their insurance and disaster assistance payouts to preserve their access to 'āina and rebuild.

The Fund's phase 1 objective is to first support the 102 'ohana in the Leiali'i homestead in preserving their stewardship and access to 'āina (land) on Maui. HCL's relationship with the Leiali'i 'ohana runs deep. We helped them get their mortgages to secure their place on the land in 2007 and 15 years later, we are here to make sure they stay on the land. In phase 2, HCL will seek to expand the Fund's reach to serve the remaining 169 kānaka homeowners who were impacted.

Under the Fund, HCL 'Ohana Advocates will first meet with homeowners to help them request a copy of their certified policy active on the date of the disaster from their insurance company. At the same time, the homeowner will be referred to various resources: 1) HCL loss mitigation specialists to obtain mortgage forbearances, modifications, or grants and loans to pay past due mortgage, HOA fees, property taxes, and utilities, 2) a Hawaiian Community Assets (HCA) HUD certified housing counselor to establish a crisis budget, 3) a trained FEMA application assistant to file for disaster assistance and appeal denials, and 4) a public insurance adjuster (PA) who will review homeowner policies to educate them on what is covered and create a documentation list needed for submission of an insurance claim. 'Ohana Advocates will help homeowners collect required documents and prepare an insurance claim. Homeowners may then retain the PA to act on their behalf to submit a claim and negotiate with their insurance company.

Once the insurance claim is submitted, the insurance company will acknowledge receipt of the claim and schedule a meeting with the PA (if retained) and homeowner for an on-site inspection of the damaged property. The inspection will require soil testing, an engineering assessment, and other third-party costs. The insurance company must respond within 14 business days after the inspection with an initial determination: 100% payout of the claim, partial payment, or denial.

Homeowners who receive a 100% payout will continue with an HCA HUD counselor to save the funds, obtain a mortgage prequalification, and be referred to HCL for technical assistance and financing to rebuild. Homeowners who receive a partial payment or denial will work with the PA to appeal the insurance company's decision. Throughout this process, the homeowner will work with their HCL loss mitigation specialist and trained FEMA application assistant for mortgage and disaster assistance needs while receiving support from their designated 'Ohana Advocate.

HCL will raise \$5 million in capital for the Fund's first phase to serve the first 102 kānaka homeowners with deferred payment loans for costs of the PA and other third-party costs required to secure and maximize their insurance claim payouts. Additional capital will be raised in phase 2 for the remaining 169 kānaka homeowners, depending on demand and investments. The average homeowner loan will be \$50,000 at 5% interest over a 3-year term. No monthly payments will be required. Principal and accrued interest will be paid off by the homeowner using their insurance claim monies, refinancing with an HCL debt consolidation loan, or with a permanent mortgage. Investors will make loans to HCL at an average of 2% interest over a 5-year term. Up to 10% of investor capital will be forgiven as a grant to HCL for defaulted loans. Investor principal will be pooled and paid out with interest annually on a pro rata share as funds are recaptured from homeowners.

An additional \$1.5 million in operations grants will be raised to cover the cost of administering the Fund over the next 5 years.

For more information, visit <https://hawaiicommunitylending.com/kadfund/>.

From: stacelynn.k.eli@hawaii.gov
To: [Burrows-Nuuuanu, Leatrice W](#)
Subject: New submission from Submit J-Agenda Testimony
Date: Tuesday, September 05, 2023 2:32:51 PM

Name

Troy Hanohano

Email

troy@kanakaeconomy.org

Message

Request to testify at the 9/19 Hawaiian Homes commission meeting and discuss the anti-displacement fund.



Chelsie Evans Enos
chelsie@hawaiiancommunity.net
(808) 464-5441
September 5, 2023

Department of Hawaiian Homelands

Subject: Testimony in Support of the Partnership for Native Hawaiian Housing

I am writing to express my wholehearted support for the proposed contract between Hawaiian Community Assets (HCA) and the Department of Hawaiian Homelands (DHHL) to establish the Partnership for Native Hawaiian Housing. This partnership is a pivotal initiative that holds immense promise for native Hawaiians who have been waiting for residential lease awards, aiming to provide them with culturally based financial education and support to enable them to thrive in Hawaii.

The Partnership for Native Hawaiian Housing addresses a pressing need within the Hawaiian community, aligning with the recent emergency housing proclamation issued by the Governor. It is evident that there is an urgent need to accelerate the allocation of vacant residential lots and assist beneficiaries in securing lease awards, as well as obtaining construction and mortgage financing for their homes. With over 28,000 native Hawaiian beneficiaries currently waiting for residential lease awards statewide, this partnership becomes a beacon of hope and opportunity.

The proposed partnership between DHHL, HCA, and Hawaii Community Lending (HCL) outlines a comprehensive approach to address this challenge. DHHL's commitment to providing builders, pre-approved home packages, construction technical assistance, and capital for construction and mortgage financing is commendable. Equally laudable is DHHL's collaboration with HCA to offer financial assessments and education to beneficiaries on the Hawaiian Home Lands waitlist. This vital support will empower individuals with the knowledge and resources they need to become mortgage qualified, a crucial step towards homeownership.

HCL's involvement in processing, underwriting, and closing construction-to-permanent mortgages is another significant aspect of this partnership. Their dedication to expanding their operations to accommodate 240 beneficiaries, supported by the initial grant from DHHL, showcases their commitment to the cause. The provision of construction and mortgage credit



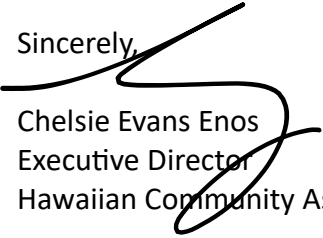
counseling throughout the process ensures that beneficiaries are equipped to sustain their mortgage, promoting long-term stability.

Furthermore, HCL's recommendation for DHHL to use funds from Act 297 or the Hawaiian Homes Trust as the source of construction and mortgage capital highlights a practical and cost-effective approach that prioritizes the welfare of beneficiary families. By doing so, DHHL can ensure maximum flexibility and minimize the increased costs of prevailing wages that can burden these families when NAHASDA funding is used.

In conclusion, the Partnership for Native Hawaiian Housing is an extraordinary opportunity to uplift the native Hawaiian community by providing them with the tools and support they need to realize their dream of homeownership and secure a brighter future for their families. I urge the Department of Hawaiian Homelands to approve this contract and allocate the necessary resources to make this partnership a reality.

Thank you for your attention to this crucial matter. I believe that together, we can make a profound and positive impact on the lives of native Hawaiians who have been waiting for their chance to thrive in Hawaii.

Sincerely,


Chelsie Evans Enos
Executive Director
Hawaiian Community Assets