

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION BUDGET WORKSHOP AGENDA

91-5420 Kapolei Parkway, O‘ahu, Hawai‘i, Zoom- Meeting ID: 609 754 2925
Thursday, June 13, 2024, 10:00 a.m.

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

Note: Commission meeting packets will be uploaded by June 10, 2024.

I. ORDER OF BUSINESS

- A. Roll Call
- B. Approval of Agenda
- C. 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 when 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 has the authority to impose reasonable conditions to ensure an orderly and efficient meeting.

II. WORKSHOP DISCUSSION ON DHHL FY 2025 HAWAIIAN HOME LANDS BUDGET

- A. DHHL Sources of Funding: Federal, General Fund, General Obligation Bond, Trust Fund, Special Fund, etc.
- B. Presentation on DHHL Budget Sections to include:
 - Administrative and Operating Expenses Section
 - Loans Section
 - Rehabilitation Projects Section
 - Development Budget Section
 - Income Production Program Section
- C. Presentation on DHHL Trust Fund Requests
 - Resource Development Initiative (Office of the Chairman)
 - System Modernization Project (Office of the Chairman)

III. ANNOUNCEMENTS AND ADJOURNMENT

- A. Next Regular HHC Meeting –June 17 & 18, 2024, 9:30 a.m., Hale Pono‘i, 91-5420 Kapolei Parkway, Kapolei, Oahu, 96707
- B. Adjournment



Kali Watson, Chairman
Hawaiian Homes Commission

COMMISSION MEMBERS

Zachary Z. Helm, Moloka‘i
Dennis L. Neves, Kaua‘i
Makai Freitas, West Hawai‘i
Walter Kaneakua, O‘ahu

Pauline N. Namu‘o, O‘ahu
Michael L. Kaleikini, East Hawai‘i
Sanoe Marfil, O‘ahu
Archie Kalepa, Maui (eff 6/1/2024)

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 June 10, 2024. If a response is received after that, 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 June 10, 2024, 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, a video camera, and a microphone to participate.

Disruption of Interactive Technology – If all participating Commissioners cannot maintain audiovisual communication 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, public members, 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 impossible because audio and visual communication cannot be re-established, the meeting will be terminated.



Scan here for livestream



HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION · DEPARTMENT OF HAWAIIAN HOME LANDS



HHC Budget Workshop

- 1. DHHL Funds and Purposes**
- 2. Budget Overview by Purposes
Article XII, Section I,
Hawaii State Constitution**

June 13, 2024



DHHL Funding Sources

I. Internal Funding Sources

A. Special Funds

1. Hawaiian Home Administration Account
2. DHHL Revenue Bond Special Fund

B. Trust Funds

1. Hawaiian Home Lands Trust Fund (Act 14, SpSLH 1995)
2. Hawaiian Home Operating Fund
 - a. Operating Portion
 - b. Development Portion
3. Native Hawaiian Rehabilitation Fund
4. Hawaiian Home Trust Fund
5. Hawaiian Home Receipts Fund



DHHL Funding Sources

C. Revolving Funds

1. Hawaiian Home Loan Fund
2. Hawaiian Home General Loan Fund

II. External Funding Sources

- A.** General Funds
- B.** General Obligation Bonds
- C.** Revenue Bonds
- D.** Federal Funds



I. DHHL Internal Funding Sources

A. Special Funds

1. Hawaiian Home Administration Account

- Authorized by Section 213(f), Hawaiian Homes Commission Act of 1920, as amended
- Revenue source: leasing activities of available lands:
 - general leases
 - licenses
 - revocable permits
 - rights of entry
 - other dispositions of Hawaiian home lands
- Supplements general fund appropriations for administrative and operating expenses
- Funds expended for administrative and operating expenses are appropriated by the legislature



DHHL Internal Funding Sources

A. Special Funds continued

2. Revenue Bond Special Fund

- Authorized by Section 213.5, Hawaiian Homes Commission Act of 1920, as amended
- Reserve account created in 1991 when revenue bonds were issued to finance capital projects
- Revenue source: leasing activities of available lands are pledged as repayment of debt service on revenue bonds



DHHL Internal Funding Sources

B. Trust Funds

1. Hawaiian Home Lands Trust Fund

- Authorized by Section 213.6, Hawaiian Homes Commission Act of 1920, as amended
- Revenue source: 20 annual payments of \$300 million from the State to settle Hawaiian Home Lands Trust claim pursuant to Act 14, Special Session 1995; payments paid in full in 2015
- Fund proceeds are primarily used for CIP projects

2. Hawaiian Home Operating Fund

- Authorized by Section 213(e), Hawaiian Homes Commission Act of 1920, as amended
- Revenue source: interest from the Hawaiian Home Loan Fund and investments
 - receipts from water systems
 - hall rentals
 - homestead lease rents



DHHL Internal Funding Sources

B. Trust Funds continued

2. Hawaiian Home Operating Fund

- Consists of an operating portion and a development portion:
 - Operation portion funds operations and maintenance of DHHL water systems and community facilities; appraisals; consultant and staff services
 - Development portion funds lot development and maintenance costs, equipment purchases and real property acquisitions

Improvement and development costs from the development portion require the Governor's approval



DHHL Internal Funding Sources

B. Trust Funds continued

3. Native Hawaiian Rehabilitation Fund

- Authorized by Section 213(i), Hawaiian Homes Commission Act of 1920, as amended
- Revenue source: 30% of state receipts from previously cultivated sugarcane lands and water licenses; principal and interest from loans and interest from investments
- Finances educational, economic, political, social and cultural projects and services which improve the general welfare and conditions of native Hawaiians



DHHL Internal Funding Sources

B. Trust Funds continued

4. Hawaiian Home Trust Fund

- Authorized by Section 213(h), Hawaiian Homes Commission Act of 1920, as amended
- Revenue source: transfers from the Hawaiian Home General Loan Fund
- Reserve for Federally insured and guaranteed loan programs



DHHL Internal Funding Sources

B. Trust Funds continued

5. Hawaiian Home Receipts Fund

- Authorized by Section 213(g), Hawaiian Homes Commission Act of 1920, as amended
- Revenue source: loan and investment interest
- Interest earnings are transferred to the following:
 - Hawaiian Home Operating Fund
 - Hawaiian Home Administration Account
 - Hawaiian Home Trust Fund or
 - Any loan fund



DHHL Internal Funding Sources

C. Revolving Fund

1. Hawaiian Home Loan Fund

- Authorized by Section 213(b), Hawaiian Homes Commission Act of 1920, as amended
- Revenue source: principal repayments from the Hawaiian Home Loan Fund
- Funds used to pay net proceeds when a homestead lease is cancelled or surrendered in the absence of a qualified successor upon the death of a lessee (Section 209, Hawaiian Homes Commission Act of 1920, as amended)

2. Hawaiian Home General Loan Fund

- Authorized by Section 213(c), Hawaiian Homes Commission Act of 1920, as amended
- Revenue source: principal repayments from loans
- Funds used mainly for residential repair, maintenance, acquisition and construction; includes farm loans, livestock and equipment purchases,



DHHL External Funding Sources

II. External Funding Sources

1. General Funds

- Authorized and appropriated annually by the State Legislature for administrative and operating costs, including planning, development, and management of the Hawaiian Home Lands program
- The State Legislature authorized and appropriated \$600 million in general funds pursuant to Act 279, SLH 2022, to reduce the waitlist

2. General Obligation Bonds

- Authorized and appropriated by the State Legislature annually for lot development and repair and maintenance of existing infrastructure (capital improvement program) projects

3. Revenue Bonds

- First issued in 1991 to fund DHHL's lot development (CIP) projects
- DHHL refunded the outstanding debt of \$30 million in 2017 which matures in 10 years



DHHL External Funding Sources

II. External Funding Sources continued

4. Federal Funds

- US Department of Housing and Urban Development
- US Department of Agriculture
- National Telecommunications and Information Administration
- Department of Defense



Article XII, Section I, Hawaii State Constitution

The Department of Hawaiian Home Lands' operating and development budgets are based on Article XII, Section 1 of the State Constitution whereby “The legislature shall make sufficient sums available for the following purposes:

- (1) Development of home, agriculture, farm and ranch lots;
- (2) Home, agriculture, 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 ...”



Purpose 1 and 4 Development Section

The Development Budget will be presented in detail after this presentation



Purpose 2 Loans

FY 2025 Loan Request

	FY 2024						FY 2025					
	(S-302-I) HH Loan Fund	(S-323-I) HH General Loan Fund	(T-917-I) HH Trust Fund	(T-902-I) HHL Trust Fund	NAHASDA	Total	(S-302-I) HH Loan Fund	(S-323-I) HH General Loan Fund	(T-917-I) HH Trust Fund	(T-902-I) HHL Trust Fund	NAHASDA	Total
Section 209 HHC Transaction	2,000,000	1,000,000				3,000,000	2,000,000	1,000,000				3,000,000
Direct Loan Financing		5,000,000			7,000,000	12,000,000		5,000,000		7,000,000		12,000,000
Real Property Taxes		100,000				100,000		100,000				100,000
Contingency-Guaranteed/Insured Loan Portfolio		2,400,000				2,400,000		2,400,000				2,400,000
Loans and Interest Receivable -Writeoffs			1,200,000			1,200,000		1,200,000				1,200,000
Loan Adjustment		2,000,000				2,000,000		2,000,000				2,000,000
Total Loans	2,000,000	10,500,000	1,200,000	0	7,000,000	20,700,000	2,000,000	10,500,000	1,200,000	0	7,000,000	20,700,000



Purpose 3 Rehabilitation Projects

FY 2024-2025 Rehabilitation Project Budget

Code	Rehabilitation Projects	FY 2024	FY 2025
7110	Native Hawaiian Development Program and Plan	\$1,100,000	\$1,000,000
7110	Native Hawaiian Development Program Plan Update	\$0	\$150,000
7110	Beneficiary Capacity Building and Technical Assistance	\$200,000	\$200,000
	Total	\$1,300,000	\$1,350,000

Purpose 4 Administration and Operating Budget

Department of Hawaiian Home Lands

OPERATING BUDGET BY APPROPRIATED AND NON-APPROPRIATED FUNDING SOURCES FY 2023-24 (HHC APPROVED), FY 2025

	FISCAL YEAR			
	2023	2024	2025	
I. Funds Appropriated by the Legislature	200	200	200	AUTHORIZED POSITIONS
	(19)	(19)	(19)	UNFUNDED POSITIONS
	181	181	181	FUNDED POSITIONS
General Fund	\$25,795,216	\$26,428,191	\$26,796,100	Difference = \$367,909
Hawaiian Home Administration Account	\$4,824,709	\$4,824,709	\$4,824,709	Special Fund
Hawaiian Home Operating Fund				
Operating Portion	\$3,740,534	\$3,740,534	\$3,740,534	
Development Portion	\$0	\$0	\$0	
Total Operating Fund	<u>\$3,740,534</u>	<u>\$3,740,534</u>	<u>\$3,740,534</u>	Trust Fund
II. Non-Appropriated Funds				
Hawaiian Home Operating Fund				
Operating Portion	\$7,074,023	\$6,925,730	\$9,338,460	Estimate
Development Portion	\$0	\$0	\$0	
Total Operating Fund	<u>\$7,074,023</u>	<u>\$6,925,730</u>	<u>\$9,338,460</u>	Trust Fund
Native Hawaiian Rehabilitation Fund	\$1,400,000	\$1,300,000	\$1,350,000	Trust Fund
DHHL Revenue Bond Special Fund	\$3,200,000	\$3,200,000	\$3,200,000	Special Fund
Total	<u><u>\$46,034,482</u></u>	<u><u>\$46,419,164</u></u>	<u><u>\$49,249,803</u></u>	



Fund Balance Report

Estimated Fund Balances DHHL FY 2025 Budget

	Purpose	Budget Section	FY 25 Budget	Actual Fund Balances as of May 2024	Estimated Revenues	Estimated Fund Balances as of FYE 2025
Hawaiian Home Operating Fund						
Development Portion	1&4	Lot Development, including R&M	-			
Operating Portion	4	Administration and Operating Appropriated	3,740,534			
		Non-Appropriated	9,338,460			
		Total	13,078,994	24,248,445		11,169,451
Hawaiian Home Administration Account	4	Administration and Operating	4,824,709	21,665,280	18,519,273	35,359,844
Native Hawaiian Rehabilitation Fund	3	Rehabilitation Projects	1,350	4,032,854	356,295	4,387,799
Hawaiian Home Loan Fund	2	Loans	2,000,000	3,780,903	127,120	1,908,023
Hawaiian Home General Loan Fund	2	Loans	10,500,000	46,833,775	7,418,231	43,752,006
Revenue Bond Special Fund	4	Administration and Operating	3,200,000	9,028,953	3,000,000	8,828,953
Hawaiian Home Lands Trust Fund	2	Loans	1,200,000	41,471,653		40,271,653



Mahalo



DEPARTMENT OF HAWAIIAN HOME LANDS

www.dhhl.hawaii.gov



HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION · DEPARTMENT OF HAWAIIAN HOME LANDS

Hawaiian Homes Commission

Budget Workshop

**Land Development Division
For Information Only**

June 13, 2024

Purpose 1

Purpose 1

Lot Development Projects

(Addressing the homestead waiting list)



HCC Home Project

5-Year Agreement Executed with Hawaii Community College

- 25 model homes completed in East Hawaii
- (1) year delay due to Covid

- As of May 2024
 - 2 model home projected completion Spring 2025
 - 360 Nahale-A Ave. (FY 23-24)
 - 399 Desha Ave. (FY 24-25)

 - 1 model home projected completion Spring 2026
 - 399 Desha Ave. (FY 25-26)

 - 2 Properties Pending



HCC Home No. 25
354 Nahale-A Ave.
'Ohana Keliikoa





HCC Home Project

5-Year Agreement Executed with Hawaii Community College

- 25 model homes completed in East Hawaii
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 - 2 model home projected completion Spring 2025
 - 360 Nahale-A Ave. (FY 23-24)
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 - 399 Desha Ave. (FY 25-26)

 - 2 Properties Pending



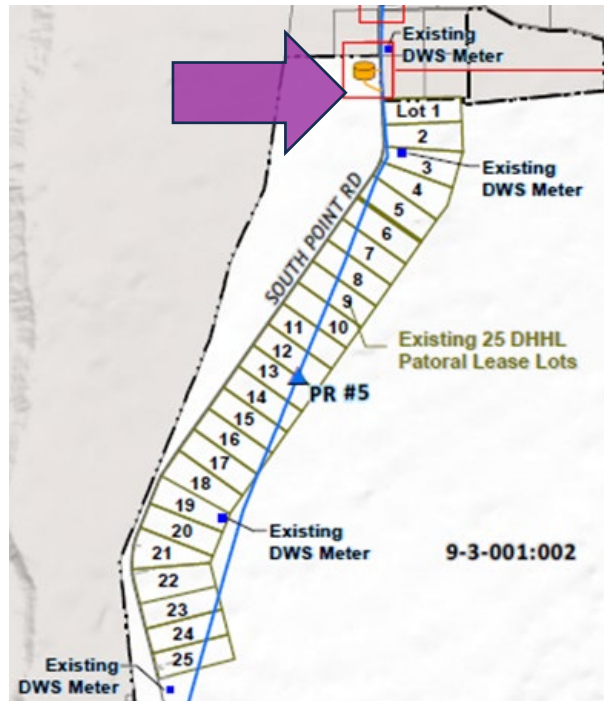
HCC Home No. 25
354 Nahale-A Ave.
'Ohana Keliikoa





Ka'ū Water Filling Station

Construction of water tank, spigot, and filling station currently scheduled to be completed by August 2024.



DHHL to determine and implement how Kamā'oa pastoral lessees will be able to access water from the spigot at the filling station.

Funds needed for:

- Any construction/cost needed to install a system.
- Cost to have lessees have access.



Maku'u 2ac lots - Pressure Test & Chlorination



Pressure Test and Chlorination
Contractor: To be determined
Est. Cost: \$400,000 to repair leaks
and replace air relief valves

All existing lots mauka of Hwy
130 Keaau-Pahoia Rd. Can then
have access to potable water
serviced by DWS after the facility
charge is paid and License 511 is
amended

Purpose 4

Purpose 4

Repair, Maintenance, and Operating Costs
(Promoting thriving, healthy communities)



Papākolea Infrastructure Remediation

Kalawahine Monitoring Ph 2

Scope of work:





Rehabilitation of School Seawall, Nānākuli

Scope: Rehabilitation of seawall and pedestrian bridge

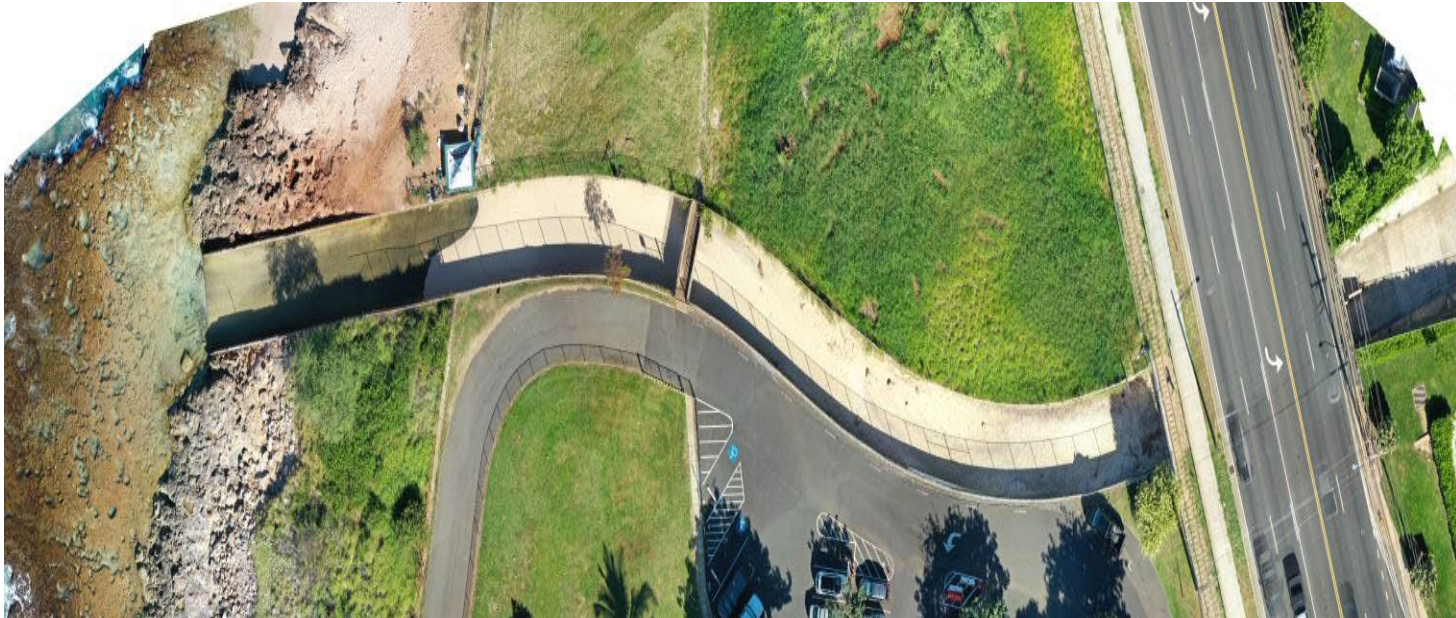
Estimated Cost: \$4.5 million

Schedule: Permit waiting for Approval

Bid Out: Late 2024

Start: Late 2024

Completion: Late 2025





Nānākuli Laterals Concrete Spall and Fencing

Scope: Re-line/Repair channel walls, replace/repair fencing.

Establish fire breaks

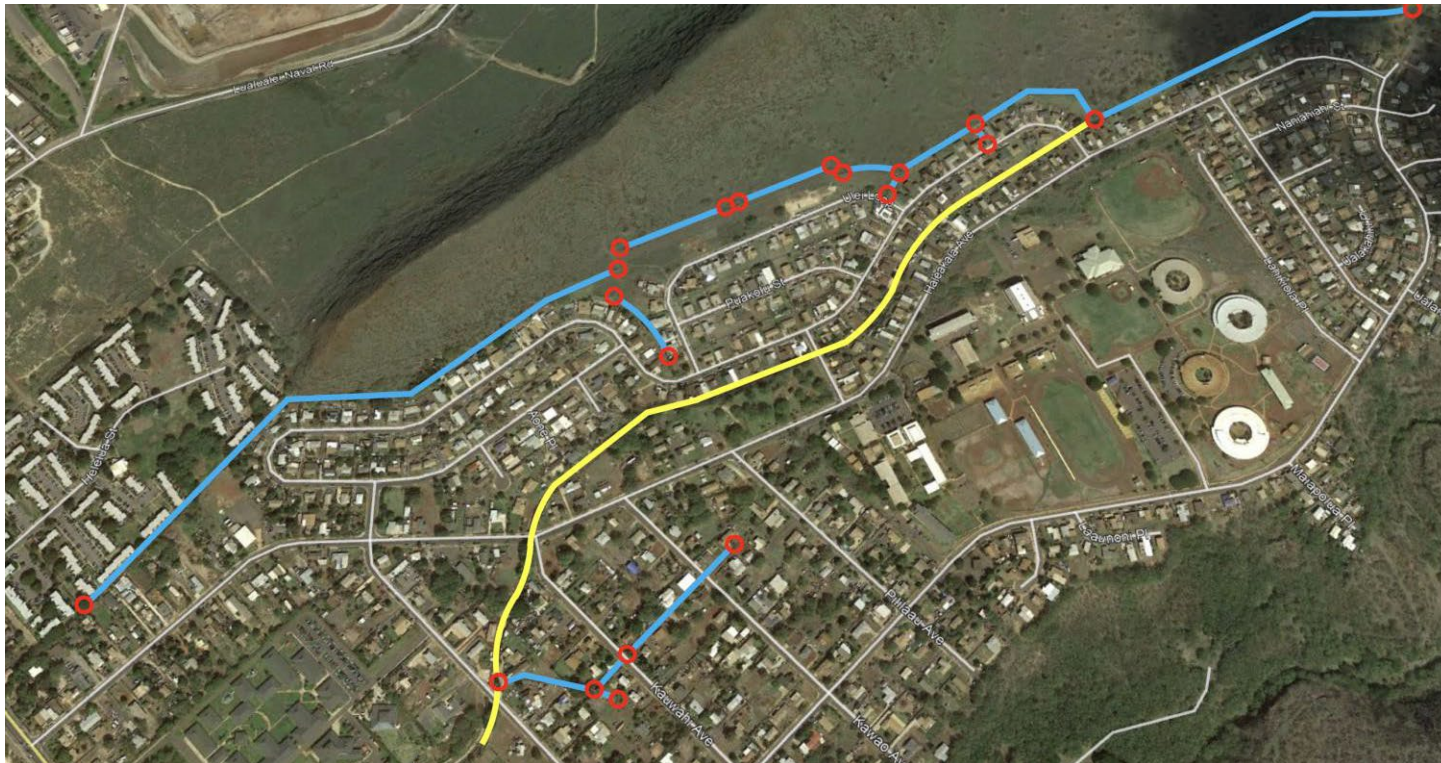
Investigate unauthorized uses of laterals

Estimated Cost: \$6.5 million

Schedule: Permit Approved

: Start: Late 2024

: Completion: Late 2025





Nānākuli Sidewalks and Stormwater Basin

Scope: Repair\replace damaged Sidewalks and Stormwater Basin

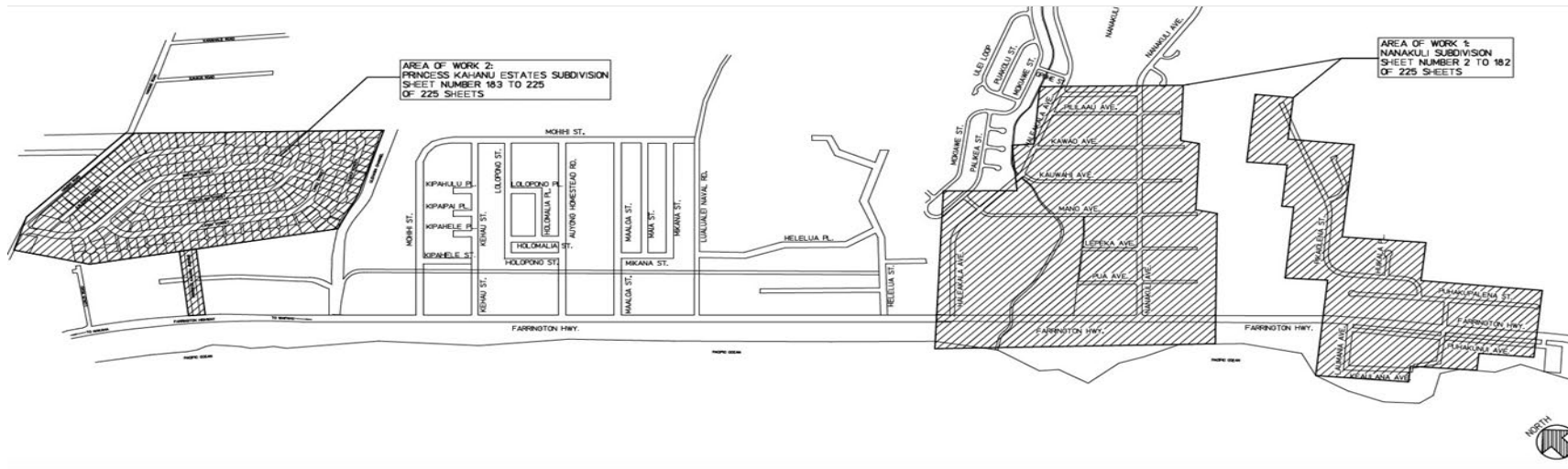
Estimated Cost: \$2.2 million

Schedule: Permit Approved

Out to Bid: Late 2024

Start: Late 2024

Completion: Late 2025





Traffic Calming Islandwide



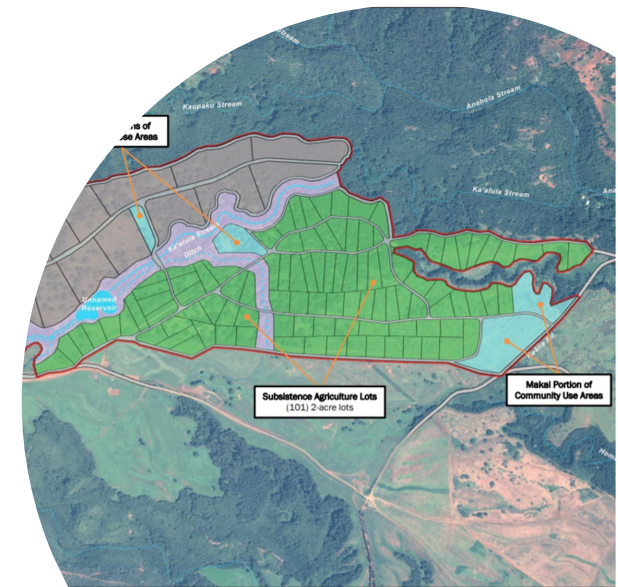
Scope: Traffic Calming Islandwide
Estimated Cost: \$1.2 million
Schedule: Late 2025



Engineering Services



Scope: Create report to summarize projects, outcomes, and schedule
Estimated Cost: \$250,000
Schedule: Late 2024





Mahalo




Department of Hawaiian Home Lands										
Development Budget (FY 2023)										
(000's omitted)										
			FY 25 Carryover		FY 25 New Funds		FY 25 Budget Request			
Project Code	Project / Description	New Lots	HHL Trust	Leg Appns	HHL Trust	Leg Appns	HHL Trust	Leg Appns	Act 279	Total
PART A: Lot Development Projects (Addressing the homestead waiting list)										
<u>OAHU</u>										
42003940	East Kapolei II-B Na Kupa'a Loan Payoff		2,300				2,300	-		2,300
42003940	East Kapolei II-A TOD and Telecom								1,000	1,000
42003970	East Kapolei II Backbone Infrastructure									-
42003965	East Kapolei IIE									-
42003980	East Kapolei IID									-
42003990	East Kapolei IIF									-
42003300	Kaupea, Phase 2								21,941	21,941
46005000	Maili Development									-
42005000	Ewa Beach (former NOAA site)	600								-
41905500	Waimanalo Residential & Agricultural Lots	119	1,750				1,750	-		1,750
40004000	Land Acquisition, Oahu						-	-	24,241	24,241
<u>MAUI</u>										
20705230	Keokea-Waiohuli, Phase 2B	61					-	-		-
20705220	Keokea-Waiohuli, Phase 3	76	500				500	-		500
20003500	Maui Development Fees (water, sewer, etc)		250				250	-		250
22003620	Lei Ali'i Phase 1B	75	500				500	-		500
22003630	Leialii 1B - Off-site Water									-
22003610	Lei Ali'i Highway and Access Improvements						-	-		-
22001200	Honokowai Subs Ag Ph 1	50					-	-		-
20801000	Pulehunui Development						-	-		-
23600000A	Pu'unani Development (\$4 million = AHC)	161	4,000				4,000	-		4,000
23000000	Kahikinui Roadways		1,500				1,500	-		1,500
<u>LANAI</u>										
21004120	Lanai Residence Lots, Offsite Infrastructure						-	-		-
<u>MOLOKAI</u>										
30800000	Kalamaula Ag Lots (Acceleration)	45					-	-		-
30700000	Hoolehua Agricultural Lots- Naiwa Ag Subd	66					-	-	-	-
30109500	Hoolehua-Pala'au Scattered	12					-	-	3,500	3,500
<u>BIG ISLAND</u>										
10801000	HCC Home Project		325				325	-		325
18602000	Hononu Subsistence Ag Lots, Phase 2	40								-
12005200	Kaumana Subdivision Rehabilitation						-	-		-
18402100	Ka'u Water System Improvements, Phs 2		91				91	-		91
	Kau Water Filling Station		200				200	-		200
18500000	Ka'u Agricultural Lots (Pu'ueo)	25	3,000				3,000	-		3,000
17000503	Lalamilo Housing Phase 2A, Increment 1		1,000				1,000	-		1,000
16004000	Laiopua Village 2									-
16003900	Laiopua Village 1									-
16001100	Laiopua Water (site acquisition)						-	-		-
	Laiopua 4								39,240	
	Panaewa Residential Lots								1,000	
	Makuu 2ac lots (pressure test, chloronation)		500				500			500
<u>KAUAI</u>										
50902100	Hanapepe Residence Lots, Phase 2									-
50108300	Anahola Kuleana		250				250		5,000	5,250
53100000	Wailua Masterplan		1,000				1,000			1,000
<u>STATEWIDE PROJECTS</u>										
00001600	Scattered Lots Program (Statewide)		1				1		1,500	1,501
9700	Acquisition Due Diligence		1,000				1,000		1,000	2,000
00004100	VOKA Payment		60				60			60
00009200	Federal Funds Reimbursements/Adjustments		1,000				1,000			1,000
00002700	Dispute Resolution		1				1			1
00009700	Land/Project Acquisition									-
00009900	Project Financing									-

	Department of Hawaiian Home Lands									
	Development Budget (FY 2023)									
	(000's omitted)									
			FY 25 Carryover		FY 25 New Funds		FY 25 Budget Request			
Project Code	Project / Description	New Lots	HHL Trust	Leg Appns	HHL Trust	Leg Appns	HHL Trust	Leg Appns	Act 279	Total
	Individual Assistance								2,000	
	Contingencies								5,000	
	PART A SUBTOTAL	1,330	\$ 19,228	\$ -	\$ -	\$ -	\$ 19,228	\$ -	\$ 105,422	\$ 77,410

Department of Hawaiian Home Lands										
Development Budget (FY 2023)										
(000's omitted)										
			FY 25 Carryover		FY 25 New Funds		FY 25 Budget Request			
Project Code	Project / Description	New Lots	HHL Trust	Leg Appns	HHL Trust	Leg Appns	HHL Trust	Leg Appns	Act 279	Total
PART B: Repair, Maintenance, and Operating Costs (Promoting thriving, healthy communities)										
<u>OAHU</u>										
40404500	Papakolea Sewer Remediation, Ph 2		4,750			6,800	4,750	6,800		11,550
40404400	Papakolea Infrastructure Remediation		1,000				1,000	-		1,000
40108500	Nānākūli Sewer Improvements, Ph 2		6,000				6,000	-		6,000
40108200	Waianae Sewer Improvements						-	-		-
41905620	Waimanalo Flood Control Channel Improvements						-	-		-
41905630	Waimānalo Sewer Improvements		18,000				18,000	-		18,000
40108600	Princess Kahanu Sewer Improvements						-	-		-
42003210	Kapolei Sewer Repairs						-	-		-
40108200	Nanakuli Drainage & Fencing, Ph 2						-	-		-
40108100	Rehabilitation of School Seawall, Nanakuli		403			4,500	403	4,500		4,903
40204200	Waianae Sidewalk & Storm Basin Repairs						-	-		-
41905640	Waimanalo Bell Street Drainage Improvements						-	-		-
41905620	Waimanalo Concrete Channel Relining		5,000				5,000	-		5,000
41905650	Waimanalo Waioleoa Street & Dirt Drainage						-	-		-
41905630	Waimanalo Sewer Repairs (Kumuhau, Kakaina)						-	-		-
	Nanakuli Laterals Concrete Spall and Fencing					6,500	-	6,500		6,500
	Waianae & Nanakuli Sidewalks & Storm Basin Repairs					2,200	-	2,200		2,200
	Traffic Calming Islandwide		1,200				1,200			
<u>MOLOKAI</u>										
30801000	Kalamaula Drainage						-	-		-
30502100	Kapaakea-One Alii Drainage						-	-		-
<u>BIG ISLAND</u>										
18301100	Honokaia Non-potable Water System						-	-		-
10102400	Keaukaha Sewer Improvements Master Plan						-	-		-
15003000	Maku'u Site Remediation		200				200	-		200
18401000	K'au Water System						-	-		-
17000700	Lalamilo Ph 1, Kawaihae Road Channelization		100				100	-		100
17000200	Lalamilo Ph 1, Infrastructure Improvements		420				420	-		420
16003500	La'i 'Ōpu'a Brush Clearing & Maintenance		800				800	-		800
10403200	Puukapu Non-potable Water System Improvements						-	-		-
<u>KAUAI</u>										
50111200	Anahola Dam and Reservoir Add'l Improvements		1,500				1,500	-		1,500
<u>STATEWIDE PROJECTS</u>										
00009500	Engineering Services for Various Locations		1,250				1,250	-		1,250
00009600	R/M of Improvements on HHL, Statewide		1				1	-		1
00001000	R/M of Utilities in Existing Subdivisions		1				1	-		1
00009800	Environmental Mitigation/Remediation		1				1	-		1
PART B SUBTOTAL			\$ 40,626	\$ -	\$ -	\$ 20,000	\$ 40,626	\$ 20,000		\$ 60,626
PART A + PART B			\$ 59,854	\$ -	\$ -	\$ 20,000	\$ 59,854	\$ 20,000		\$ 138,036

State of Hawaii
Department of Hawaiian Home Lands

June 17 – 18, 2024

TO: Chair Kali Watson and Members of the Hawaiian Homes Commission
FROM: Gigi O. Cairel, HHL Grants Specialist 
SUBJECT: Approval of Fiscal Year 2025 Department of Hawaiian Home Lands (DHHL)
Budget to support the DHHL Resource Development initiative

RECOMMENDED MOTION/ ACTION

- (1) That the Hawaiian Homes Commission approve \$4,200,000 from trust account number T-905-25 to support the Department of Hawaiian Home Lands Resource Development Initiative; and
- (2) Authorize the Chairman to shift funding between budget line items in the overall department budget between budget line items, not to exceed \$500,000.

BACKGROUND

According to the DHHL Planning System, funding is a major tool for the implementation of Hawaiian Homes Commission-approved DHHL Plans, DHHL construction and improvement projects, and DHHL native Hawaiian Rehabilitation programs.

Through the Inflation Reduction Act (IRA), 2022, and Infrastructure Investment and Jobs Act (IIJA), 2021, referred to as the President's Bi-partisan Infrastructure Law (BIL), the Federal government has made unprecedented funding levels and resources available to communities nationwide. Much of this infusion of federal resources is available through the year 2026. The purpose of the IIJA is to modernize our nation's infrastructure, with an investment of \$1.2 trillion. The IRA is the single largest climate investment in American history. Its goal is to build a new, clean economy, with an investment of \$390 billion. The IRA will invest in climate and clean energy programs and initiatives.

In 2023, the Department of Hawaiian Home Lands (DHHL) launched a major effort to access these Federal funds. This is a significant opportunity to leverage the \$600 million appropriation from State Act 279 SLH 2022 and DHHL Trust Resources. With a goal to reduce the Hawaiian Homes Application wait list, where native Hawaiian beneficiaries have applied for

expertise, and federal and state system compatibility. DHHL intends to seek additional support with grants administration, including but not limited to the following:

- Internal systems and work flow processes
- Project management and staffing challenges
- Internal communication and coordination
- Federal reporting and compliance

Given the short window of time to access this infusion of federal funds, the department will focus its efforts on accessing federal resources and, as needed, pursue other state, local, and private resources. The requested budget will primarily be used for procuring multiple vendors for professional services on a large-scale in all aspects of federal fund development and administration. With this \$4.2 million investment, the department's goal is to raise a minimum \$10 million in the first year, Fiscal Year 2024 – 2025.

We off to a good start — the department was able to recover the previous \$5 million (annual) Congressional set-aside in water infrastructure financing. Further, we submitted nine (9) proposals, totaling over \$33 million and are awaiting funder responses.

DHHL is in a good position to successfully access federal funds because it has several advantages, including:

- **Good track record.** DHHL has already accessed Federal funds and has years of experience working with US Department of Housing and Urban Development (HUD) and US Department of Agriculture Rural Development (USDA RD), primarily. These are the two most widely used funding agencies for affordable housing and environmental infrastructure.

Over the years, DHHL has successfully obtained the following major federal funds:

- \$22,000,000 (annual) for affordable housing, Native American Housing and Self-Determination Act (NAHASDA) funds, US Department of Housing and Urban Development (HUD);
- \$50,000,000 (one-time) for water infrastructure, Water and Environment Program funds, US Department of Agriculture Rural Development (USDA-RD);
- \$17,000,000 (one-time) for telecommunications Tribal Broadband Connectivity Program, funded by the National Communication and Information;
- Various other funds to support Community Development, Land Stewardship, and other programs.

Authority

Pursuant to Hawaii Administrative Rules (HAR) 10-2-16, functions and duties, administrative in nature, be delegated to the Chairman, including to approve plans for construction of homes and improvements. As part of the DHHL Planning System, funding is a major tool for the implementation phase for Hawaiian Homes Commission-approved plans and DHHL construction and improvement projects and DHHL native Hawaiian Rehabilitation programs. Submitting proposals to federal and other funding sources will leverage DHHL funds to implement critical projects. And, given the DHHL Planning System, funding is a major tool in the implementation of HHC-approved plans and department projects to construct homes and improvements as well as native Hawaiian socio-economic rehabilitation programs.

Chapter 6.1 of Title 10 HAR, DHHL prepares the Native Hawaiian Development Program Plan (NHDPP) every two years for review and approval by the Hawaiian Homes Commission (HHC). The goal of the NHDPP is to “increase the self-sufficiency and self-determination of native Hawaiian individuals and native Hawaiian communities.” This is accomplished through the NHDPP by “improve[ing] the general welfare and conditions of social, cultural, and other programs.” The NHDPP is funded directly by the Native Hawaiian Rehabilitation Fund (NHRF). HAR 10-6.1-6 also allows the NHDPP to be funded by federal, state, county and private sources.

RECOMMENDATION

DHHL staff respectfully requests approval of the recommended motion as stated above.

DEPARTMENT OF HAWAIIAN HOME LAND

Office of the Chair (OCH)

Year 1 Planned Budget for the OCH Resource Development Initiative

Fiscal Year 2024 - 2025

Subject to change

Object Code	Account T-905-25		
7110			
	(1) Project planning and pre-development		
	Purpose: To build Project Plans		
	Tasks:		
	(a) Project scoping (scope, budget, timeline, objectives, etc), scaling, components breakdown to address funding opportunities		
	(b) Conduct Household income surveys to qualify project		
	(c) Research existing fed, state, local planing docs for project compatibility		
	(d) Research funding opportunities, interface with funder		
	(e) Find funder match		
	Deliverables:		
	50 project plans X \$21,000 (average)	\$1,050,000	
	20 household income surveys X \$30,000 (average)	\$600,000	
			\$1,650,000
	(2) Grant writing		
	Purpose: To draft, prepare, assemble and submit grant proposals		
	Tasks:		
	(a) Narrative and budget, including federal forms (SF 424), multi-year project budgets, etc - draft, review/edit		
	(b) Create, prepare and gather supporting documents -- program- amd financial-related		
	(c) Create Templates — DHHL profile material		
	(d) Create Templates for community support letters		
	(e) Assemble the proposal, final submission		

	(f) Respond to follow up funder questions		
	Deliverables:		
	10 proposals X \$15,000 (simple)	\$150,000	
	15 proposals X \$25,000 each (complex)	\$375,000	
	18 technical studies \$30000 (average) required for application (eg Benefit-Cost analysis)	\$540,000	
			\$1,065,000
	(3) Policy advocacy		
	Purpose: To address funding program rule inconsistency or incompatibility to DHHL projects		
	Tasks:		
	(a) Research federal and state law and regulation		
	(b) Educate, increase awareness, outreach to Congress and federal agencies		
	(c) Material development -- DHHL		
	(d) Prepare policy briefing papers		
	Deliverables:		
	Interface with Congress and federal agencies -- \$325 per hour (average) X 40 hours per month	\$156,000	
	Material development, printing, copying, digital -- design templates and draft consistent messaging (up to 10 pieces)	\$304,000	
	Issue up to five (5) Briefing papers and follow up with Congress and Federal agencies	\$125,000	
			\$585,000
	(4) Post-award federal grants administration, compliance, reporting		
	Purpose: To build DHHL capacity and skill		
	Tasks:		
	(a) Assess and Establish an internal grant performance monitoring and controls system		
	(b) Build internal capacity (training, checklists, templates, workflow)		
	(c) Project management and implementation		

	(d) TA/Support to ASO and Fiscal office functions to receive, track, and report on Federal dollars		
	Deliverables:		
	Assessment of internal control systems for federal grants monitoring and performance	\$100,000	
	Minimum 2 trainings on federal grants monitoring, administration and compliance	\$50,000	
	Up to ten (10) tools developed for work efficiency -- checklists, templates, workflow process	\$500,000	
	Project manage up to ten (10) X \$25,000 federally-funded projects	\$250,000	
			\$900,000
		TOTAL	\$4,200,000

HHC Item C-3
Exhibit A

DEPARTMENT OF HAWAIIAN HOME LANDS
Proposal Chart

	TOTAL PROPOSALS	PENDING	NOT FUNDED	FUNDED FULLY	FUNDED PARTIALLY
	9	8	1	0	0
TOTALS	\$33,870,000	\$30,870,000	\$3,000,000	\$0	\$0

No.	Date	Island	Project	Funding Source	Request	Status
2024-001	3/11/2024	Maui	Kahikinui tank	Congress (Sen. Hirono)	\$1,010,000	Awaiting response
2024-002	3/22/2024	Molokai	Molokai Cesspool (Pilot)	Congress (Sen. Hirono)	\$4,960,000	Awaiting response
2024-003	3/29/2024	State	Large Capacity Cesspool assessment	Congress (Sen. Hirono)	\$3,200,000	Awaiting response
2024-004	3/29/2024	State	Wildfire Response, Prevention	Congress (Sen. Hirono)	\$10,000,000	Awaiting response
2024-005	34/29/24	State	Wildfire Response, Prevention	Congress (Rep. Tokuda)	\$2,200,000	Awaiting response
2024-006	5/1/2024	Maui	Down payment assistance (Pu'uhona)	Fed Home Loan Bank	\$3,000,000	Awaiting response
2024-007	4/29/2024	Oahu	Papakolea sewer	Congress (Rep. Case)	\$3,500,000	Awaiting response
2024-008	2/27/2024	Hawaii	Kohala Moku Marine Sediment Reduction Project	UH Sea Grant	\$3,000,000	Awaiting response
2024-009	4/19/2024	Hawaii	Panaewa Lot 184 subsistence agriculture (1)	Congress (Rep. Tokuda)	\$3,000,000	Not funded
					\$33,870,000	TOTAL

Notes:

(1) Re-submit proposal to Congress in FY 2025-2026

HHC Item C-3
Exhibit B