



Department of Hawaiian Home Lands

Land Management Division

LAND REQUEST PROCESS

SECTIONS 204 & 207, HHCA

June 2, 2025



HHCA GUIDANCE FOR GENERAL LEASE DISPOSITIONS

Guiding Authority for General Leases

- **HHCA 204(a)(2)**
- **HHCA 220.5**
- **HAR 10-4-1**
- **HRS 171**
- **Land use based on DHHL's**
 - ✓ **General Plan**
 - ✓ **Island Plans**
 - ✓ **Regional Plans**



HHCA GUIDANCE FOR GENERAL LEASE DISPOSITION

Section 204(a)(2)

Any available land not leased under section 207(a) can either:

- Be returned to the Board of Land and Natural Resources (as per section HHCA 212), or be kept and managed by the department.

All general leases issued after June 30, 1985, must include a clause allowing the department to withdraw the land at any time during the lease for purposes under this Act. For available lands not required under section 207(a), the department may:

- Lease or dispose of the land or improvements to the public (including Native Hawaiians) under the same rules as **Chapter 171, Hawaii Revised Statutes**.
- Not sell the land in fee simple unless authorized under section 205 of this Act.
- Prioritize negotiations with Native Hawaiians or Native Hawaiian-owned organizations before offering land to the general public, for commercial, industrial, or other business use, following **Chapter 171 procedures**.



HHCA GUIDANCE FOR GENERAL LEASE DISPOSITION

Section 220.5(b)

The Department may enter into Project Developer Agreements with qualified developers for homestead, commercial, or multipurpose projects (or parts of such projects:)

Before entering into an agreement, the Department must:

1. Set minimum rental based on fair market value, determined by appraisal.
2. Publish notice of the proposed land disposition as required by **HRS §171-60(a)(3)**.
3. Establish clear selection criteria for choosing a private developer.
4. Evaluate applicants:
 - ✓ Within 45 days after the application deadline, determine who meets the selection criteria.
 - ✓ Notify all applicants of the decision within 7 days.
 - ✓ If only one applicant qualifies, the Department may negotiate the agreement with that applicant (terms must not be less than originally proposed).
 - ✓ If multiple applicants qualify:
 - Consider all relevant factors, proposals, experience, and financial capacity.
 - Select the best proposal within 45 days.
 - Negotiate project details, including benefits that promote Native Hawaiian socio-economic advancement.
 - Agreement terms must not be less than those in the original proposal.



DHHL HAWAII ADMINISTRATIVE RULES

HAR 10-4-1

Lease of Lands:

- The department may lease, license, or otherwise deal with any Hawaiian home lands as may not be immediately needed for the purposes of the act as provided by section 204(2) of the act and chapter 171, HRS, upon such terms and conditions as it may deem fair and reasonable.



HAWAII REVISED STATUTES PROCESS

Chapter 171

Management & Disposition of Public Lands

Section 171-16	Notification requirements
Section 171-17	Appraisal – fair market value
Section 171-36	Lease restriction, generally
Section 171-55	Permits
Section 171-59	Disposition by Negotiation
Section 171-60	Dev. Thru Private Developer



General Lease Dispositions





GUIDANCE FOR ELEEMOSYNARY DISPOSTIONS

HRS 171-43.1

- The Board may lease public lands directly without public auction to eleemosynary (charitable) organizations.
- The lease may be offered at a nominal (low) rent.
- The organization must be certified as tax-exempt under IRS Code sections 501(c)(1) or 501(c)(3).
- The leased lands must be used only for the purposes stated in the organization's charter and for which they were certified by the IRS.



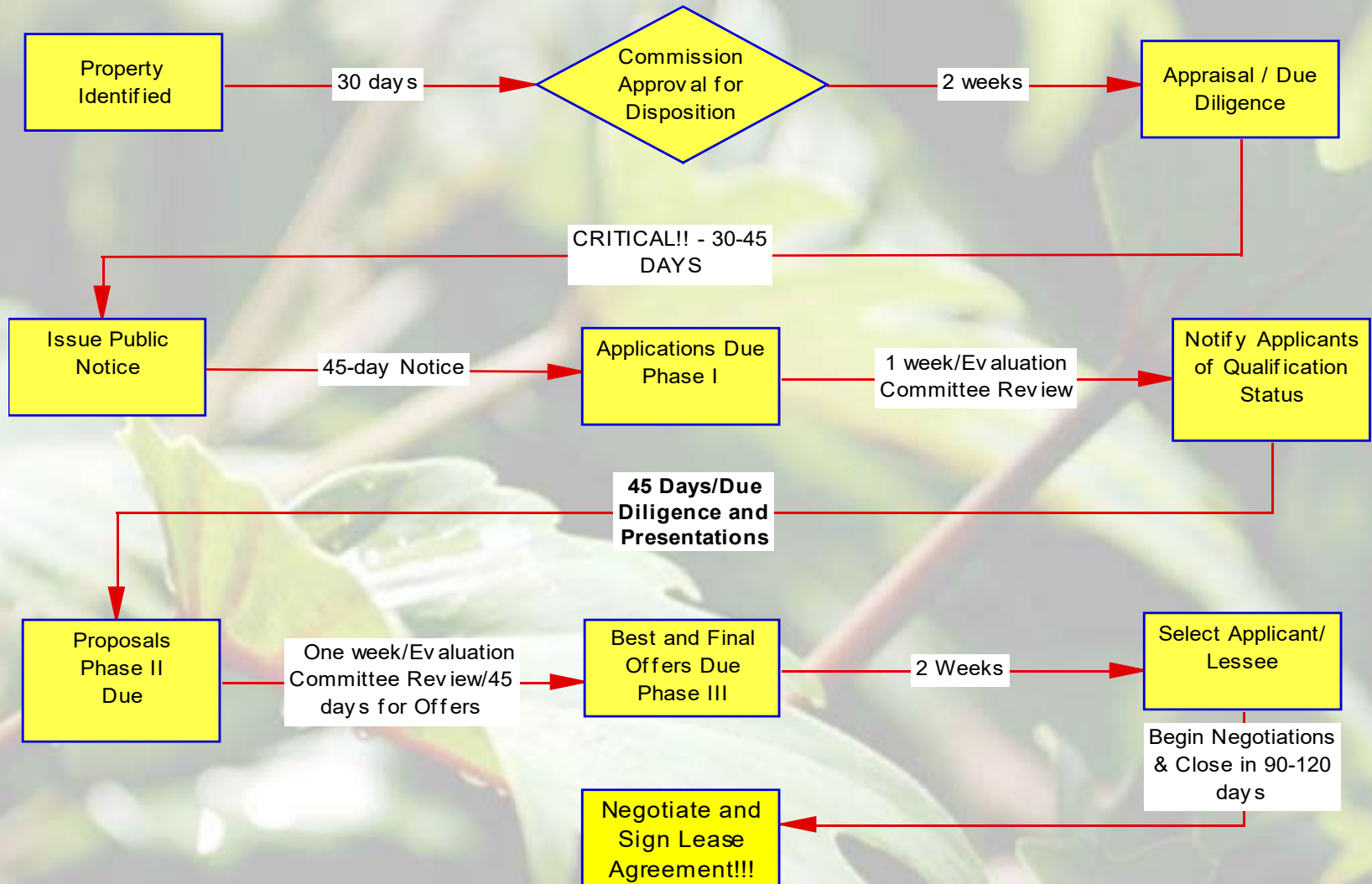
General Lease Dispositions

Ho'omaka



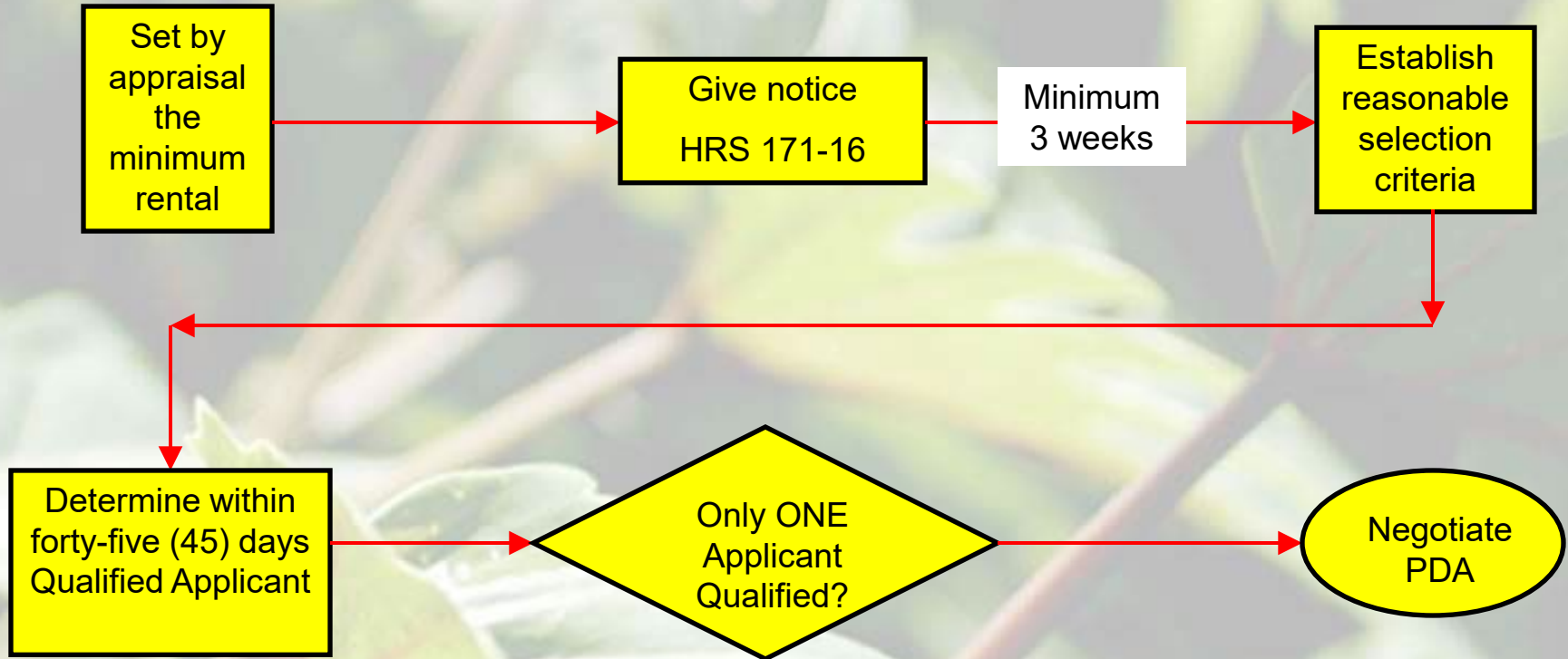


HHCA 204(a)(2) LEASE PROCESS TIMELINE





HHCA 220.5(b) LEASE PROCESS TIMELINE



- ✓ "...the department shall not be subject to the requirements of competitive bidding if no state funds are to be used in the development of the project."
- ✓ "...the developer shall be entitled to receive from the department the proportionate value of the developer's permanent improvements..."



HHCA GUIDANCE FOR LICENSE DISPOSITIONS

Guiding Authority for Licenses

- **HHCA 207(c)(1)(A)(B)**
- **HAR 10-4-22**
- **HAR 10-4-24**



HHCA GUIDANCE FOR DISPOSTIONS

Section 207(c)(1)(A)(B)

The department is authorized to grant licenses as easements for railroads, telephone lines, electric power and light lines, gas mains, and the like. The department is also authorized to grant licenses for lots within a district in which lands are leased under the provisions of this section, for:

- (A):** Churches, hospitals, public schools, post offices, and other improvements for public purposes
- (B):** Theaters, garages, service stations, markets, stores and other mercantile establishments
(all of which must be owned by Native Hawaiians or organizations owned and controlled by Native Hawaiians)



DHHL HAWAII ADMINISTRATIVE RULES

HAR 10-4-22

Licenses for easements and public purposes:

- The department may grant licenses as easements for: railroads, telephone lines, electric power and light lines, gas mains, similar infrastructure
- The department may also grant licenses for improvements for public purposes, including but not limited to: schools, post offices, parks, beaches, fire stations, other public facilities
- Licenses may be granted:
 - In perpetuity or for a specified term, and/or with a condition that the license reverts to the department upon termination or abandonment
- Terms and conditions of the license shall be:
 - Prudently and reasonably determined by the department



DHHL HAWAII ADMINISTRATIVE RULES

HAR 10-4-24

Licenses for Mercantile Establishments:

- **Ownership Requirement:** Licenses for mercantile establishments must be owned by Native Hawaiians or organizations formed and controlled by Native Hawaiians, per section 207(c)(1)(B) of the Act.
- **Department-Initiated Licenses:** The department must publish a notice of its intent to license Hawaiian home lands for mercantile use in a newspaper of general circulation once a week for two consecutive weeks.
 - The notice must include minimum conditions and the intended land use.
 - Interested Native Hawaiians or qualified organizations must submit an application within 30 days of the notice.
 - If only one application is received, the department may issue the license after the required public notice.
 - If two or more applications are received, the department will select the applicant who submits the highest sealed bid.



DHHL

HAWAII ADMINISTRATIVE RULES

HAR 10-4-24

Licenses for Mercantile Establishments: continued

- License Rental Terms: Rental amounts are determined by the department and may be based on:
 - A flat rate per square foot,
 - An appraisal,
 - A percentage of the licensee's gross sales receipts.
 - Native Hawaiians may request to negotiate a mercantile license, subject to commission approval under section 10-4-21(b).
- Cost Responsibility: Mercantile licensees are responsible for all processing costs, including:
 - Advertisement,
 - Survey,
 - Appraisal.
- Exemption:
 - Section 10-4-21(d) does not apply to mercantile licenses.



LEASE AND LICENSE DIFFERENCES

Feature	LICENSE	LEASE
Legal Interest in Land	Does not create a real property interest; considered a privilege	Creates a legal interest in the land (tenant has real property rights)
Use Rights	Limited and non-exclusive use; typically for temporary or specific purposes	Exclusive rights to use and occupy the land for the agreed-upon term
Term / Duration	Short-term (e.g., month-to-month or up to 1 year); often revocable	Long-term (e.g., 10, 20, 65 years); stable duration tied to business plan
Revocability	Can be revoked by the government with notice; often at will or for cause	Cannot be revoked except under defined terms (e.g., breach, non-compliance)
Permitted Use	Often limited to specific uses (e.g., staging area, storage, events)	Broad business uses allowed within lease terms (e.g., operations, construction)
Improvements	Typically no significant improvements allowed	Improvements allowed (may require approval); tenant may invest in property
Rent / Fee Structure	Lower, flexible permit fee or cost recovery basis	Higher, based on fair market rent or revenue participation
Approval Process	May be administratively approved by agency	Often requires Commission/Board approval (e.g., HHC, Land Board)
Disposition Type	Often referred to as a Revocable Permit or "License to Occupy"	Known as a General Lease or Disposition by Lease



Department of Hawaiian Home Lands

Website: dhhl.hawaii.gov

Department of Hawaiian Home Lands
NON-PROFIT ORGANIZATION APPLICATION FOR LONG-TERM USE OF DHHL LANDS
Application
INSTRUCTIONS

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

Established by Prince Kūhiō & the U.S. Congress
Department of Hawaiian Home Lands
Ka 'Ōihana 'Āina Ho'opulapula Hawai'i

Search

Home Current Projects Lot Offers and Awards Newsroom Reports Live Careers Contact Us

Home » Asset Management

ASSET MANAGEMENT

- [Public Auction](#)
- [General Leases](#)
- [Licenses](#)
- [Rights of Entry](#)
- [Revocable Permit Program](#)
- [12Mar2025 – Land Use Application updated](#)
- [Unsolicited Request Application Instructions and Pre-Application Form](#)**
- [DHHL Water Systems](#)
- [DHHL Cemeteries](#)
- [Telecommunications](#)

Special Area Plans:

- [Kahikinui Feral Ungulate Control Plan – Maui](#)
- [South Point Resources Management Plan – Hawai'i Island](#)
- [Aina Mauna Legacy Program – Hawai'i Island](#)
- [Malama Cultural Park Special Area Plan – Moloka'i](#)
- [Kalaupapa NHP – NPS General Management Plan – Moloka'i](#)

LMD – 808.730.0335



Department of Hawaiian Home Lands

Mahalo!