

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

June 16 - 17, 2025

To: Chairman and Members, Hawaiian Homes Commission
Through: Andrew H. Choy, Planning Program Manager *AC*
From: Gigi O. Cairel, Grants Specialist *GC*
Subject: Extend the Implementation Period of the Native
Hawaiian Development Program Plan

RECOMMENDED MOTION/ACTION

The Hawaiian Homes Commission (HHC) extends the implementation period of the Native Hawaiian Development Program Plan (NHDPP) for two (2) years through June 30, 2027.

BACKGROUND AND PURPOSE

The 2012 Native Hawaiian Development Program Plan (NHDPP) was approved by the Hawaiian Homes Commission (HHC) for a time extension through Fiscal Year (FY) 2024. (Exhibit A). The Department of Hawaiian Home Lands (DHHL) has been implementing the NHDPP in the areas of individual development (ie, homeownership assistance and agriculture lessee technical assistance) and community development (i.e., community liaison and DHHL Community Development grants). (Exhibit B).

The NHDPP is scheduled for an update this year. The department plans to conduct Beneficiary Consultation (BC) statewide in the fall 2025, in accordance with the department's BC policy (Exhibit C). A BC report to the HHC will be submitted. Then a draft and final NHDPP will be submitted to the HHC for review and approval by summer 2026. (Timelines are subject to change).

In order to offer Community Grants and other assistance in the upcoming FY 2026 - 2027, we are seeking this approval to extend the current plan, while simultaneously, we intend to update the NHDPP to be more reflective of community needs and department resource allocation (budget and staffing).

In FY 2026 - 2027, DHHL plans to implement the following components in the NHDPP.

- Homesteading Opportunities Assistance Program (i.e., homebuyer education, lease cancellation, and foreclosure prevention services).
- Expand the University of Hawaii College of Tropical Agriculture and Human Resources (UH CTAHR) assistance for farmers and ranchers by serving Maui and Kauai, in addition to Molokai and Hawaii island.
- Continue to administer and monitor grants and provide technical assistance to new and existing grantees.
- Administer \$10 million in new DHHL Grants from State General Funds, in accordance with the recommendation to allocate \$10 million* in the Department FY 2026 budget. We plan to offer grants for capacity building, project implementation and existing homestead facilities.

**Note: Subject to applicable restrictions as set forth by the State Budget execution policies and instructions*

During the 2025 Legislative Session, the State Legislature appropriated a \$10 million allocation in State General Funds to the DHHL with legislative intent as a recurring allocation for "services to existing homestead communities". This is a separate and distinct allocation in addition to the \$600 million that the Legislature previously appropriated to DHHL, with legislative intent to reduce the number of applicants on the DHHL Wait List.

AUTHORITY

Pursuant to Hawai'i Administrative Rules (HAR) Chapter 6.1 of Title 10, DHHL prepares the NHDPP every two years for HHC review and approval. 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."

Historically, the NHDPP is primarily funded by the Native Hawaiian Rehabilitation Fund (NHRF). NHRF was created by the 1978 Constitutional Convention to finance various activities intended to exclusively benefit native Hawaiians. This includes, but is not limited to, educational, economic,

political, social, and cultural processes by which the general welfare and conditions of native Hawaiians are improved and perpetuated. The source of revenue for this fund is primarily derived from 30% of state receipts, derived from lands previously cultivated and cultivated as sugarcane lands and from water licenses.

NHRF has been in decline significantly in recent years. And, per HAR 10-6.1-6, NHDPP may also be funded by federal, state, county and private resources. In accordance with the recommendation of the FY 26 department budget, \$10,000,000 is allocated for Grants and \$600,000 in other Trust funds is allocated for agriculture technical assistance.

RECOMMENDATION

Staff recommends approval.



HAWAIIAN HOME LANDS TRUST
DEPARTMENT OF HAWAIIAN HOME LANDS

Native Hawaiian Development Program Plan

January 1, 2012- June 30, 2014

Extended through June 30, 2016
as approved by Hawaiian Homes Commission
at the July 21-22, 2014 meeting

Prepared by Planning Office

EXHIBIT A

PREFACE

The **Hawaiian Homes Commission Act (HHCA)** “rehabilitates” native Hawaiian beneficiaries by awarding residential, agricultural or pastoral homestead leases at a rate of \$1.00 per year for 99-years. “Rehabilitating a native Hawaiian family takes more than a land lease.

Section 213 of the HHCA, established the **Native Hawaiian Rehabilitation Fund (NHRF)** to provide a wide range of “rehabilitation” programs that address educational, economic, political, social and cultural opportunities. Development in these areas improves the general welfare and conditions of native Hawaiians. Funded by a 30% share of revenues from sugar leases and water licenses, the NHRF fund provides a pool of financial resources that can be dispersed to programs, projects, and services that are deemed necessary for “rehabilitation”.

In addition to NHRF, per **Hawaiian Homes Commission Resolution Number 257** adopted on June 21, 2011, a set aside sum of up to 15% of the annual general lease revenues is to be used for the purpose of supplementing the Native Hawaiian Development Program Plan (NHDPP).

The **Native Hawaiian Development Program Plan (NHDPP)** identifies priority programs and services that should be provided for the next two years. It also determines how the NHRF and 15% set aside will be allocated in the next fiscal biennium to support those priorities. The NHDPP focuses on two (2) areas of development: 1) Individual Development; 2) Community Development.

Hawaiian Home Lands Trust

Native Hawaiian Development Program Plan January 1, 2012- June 30, 2014

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NATIVE HAWAIIAN DEVELOPMENT PROGRAM

“Empower”

To provide individuals and or groups with skills, information, authority and resources in order to carry out their responsibilities.

The purpose of the Native Hawaiian Development Program is to “improve the general welfare and conditions of native Hawaiians through educational, economic, political, social, cultural, and other programs.” [Title 10 Administrative Rules, Chapter 6.1]

NATIVE HAWAIIAN DEVELOPMENT PROGRAM PLAN

The Native Hawaiian Development Program Plan (NHDPP) is a two (2) year approach designed to achieve the aforementioned purpose by “increasing the self-sufficiency and self-determination of native Hawaiian individuals and native Hawaiian communities”. [Title 10] The following are guiding principles that help to define the plan:

- Beneficiaries define their own vision for their community.
- Beneficiary Organizations through its democratically-elected leaders are the primary conduit for the relationship between the department and homestead residents and applicants with regard to community development. Each homestead lessee and applicant is eligible to vote for their leaders.
- The interests of applicants, the future residents of homestead communities, must not be overlooked in community planning.
- The skills and talents of individuals need to be strengthened and nurtured to ensure strong, prepared leadership for the future.
- Each homestead association defines what it wants to be responsible for within the areas of authority the commission is willing or able to delegate.
- Successful participation of beneficiaries in planning for the use and management of homestead lands and assets is tied to being adequately prepared and supported.
- Homestead leaders can best learn governance and management skills through hands-on training that applies to the assets in their own community.
- Each homestead is unique and each homestead association will have its own way of working toward self-sufficiency. Not every homestead association will be interested or ready to take the steps toward self-sufficiency at the same time or in the same way.

- Beneficiary organizations¹ will assume more responsibilities as their capacity increases.
- Beneficiary organizations are under no obligation to participate in this initiative.
- The policies and practices of DHHL must support increased self-governance by homestead associations and beneficiary organizations.

The NHDPP has two (2) primary goals:

1. Individual Development
2. Community Development

¹ Throughout this document the term “beneficiary organization” refers to organizations that are owned and controlled by homesteaders or DHHL applicants that they represent

I. INDIVIDUAL DEVELOPMENT

“Self-sufficiency”

Provision by one's self
of all of one's own needs

GOAL:

Provide opportunities for native Hawaiians to obtain the knowledge and skills that will increase their ability to earn a living, become self-sufficient, or secure and make better use of their homestead award.

STRATEGY:

A strong education and the development of job skills are essential for creating self-sufficient, independent individuals. In turn, increasing the knowledge and abilities of individuals strengthens the community as a whole. Providing scholarships makes an education attainable for many more native Hawaiians. By coordinating our scholarship programs with others, we enhance programs that already exist and extend the opportunities for an advanced education to more people.

Economic opportunities and homeownership are also affected by the lack of appropriate skills and experience, making it difficult for lessees with agricultural and pastoral awards to make full use of their homesteads. DHHL staff estimates that only 15% of agricultural awards are in productive farming at this time. Access to the appropriate resources, training and technical assistance are needed to help lessees get started and expand their production.

Education affects homeownership in two major ways – earning power and financial security. Numerous studies document the relationship between educational achievement and income. Higher and more stable incomes allow people to qualify for a mortgage. Similarly, knowledge about handling money wisely (like budgeting, managing debt, and saving) helps people prepare for homeownership and paying a mortgage.

Settlement of native Hawaiians on the land is DHHL's primary mission. With homes costing more than \$500,000 in the private sector, many more native Hawaiians are seeking homestead awards. The large average native Hawaiian family size, combined with lower per capita income, lack of savings, credit or debt problems makes it a challenge to achieve homeownership. The lack of experience in buying real estate means that training and assistance is critical to make native Hawaiian homeownership a reality.

IMPLEMENTATION ACTIONS FOR 2012-2014:

1.1 Education

Objective: Provide educational opportunities through scholarships, internships, and community service opportunities. Evaluation indicators to

measure program outcomes and results will need to be developed for each Implementation Action.

1.1.1 HHC Scholarships

Maintain and administer two (2) post-high scholarship programs that provide financial assistance to native Hawaiians with demonstrated financial need or academic excellence (Kuhio Scholars) enrolled in post-high school educational institutions. Annually, there are approximately 300-400 applications received and 200 awards granted.

Eligibility Requirements:

- Be native Hawaiian (50% or more Hawaiian ancestry) or Homestead Lessee (25% or more Hawaiian ancestry);
- Be enrolled as a full-time classified student in an accredited two-year, four-year or graduate degree program;
- Minimum GPA of 2.0 for undergraduates, 3.0 for graduate students;
- Agree to participate in community service projects;
- Applications due March 1 each year;
- For Kuhio Scholars, minimum GPA of 3.8 for graduate students.

**Applications are available at: www.hawaiicommunityfoundation.org*

Budget: \$200,000 encumbered for application review, determination of native Hawaiian status, and coordination

1.1.2 HHCS – Vocational Education

Produce a separate brand for HHCS Vocational Education and develop a distinct website and information and marketing materials. Although the HHCS can cover UH Community College vocational education program costs, there has been minimal use of this program. There is a need to brand the HHCS – Vocational Education program separately from the HHCS – Four Year and Advanced Degree program. Vocational Education programs at the UH community colleges are a tremendous resource for native Hawaiians to enter the trades and other professions.

Budget: \$2,500 printing and distribution

1.1.3 Partnerships

Chaminade University

Chaminade University of Honolulu offers a four year renewable scholarship valued at \$8,500 to attend Chaminade. Chaminade University is committed to support up to 40 scholarships each year for qualified homestead students. This commitment will be for four years per student as long as they maintain their commitment to education.

Eligibility Requirements:

- Be a dependent of a current resident who holds a lease to a Hawaiian homestead property;
- Have a high school GPA of 2.5 or higher;
- Have a SAT of 900 or an ACT of 18; and

- Be a full-time day undergraduate student.

Budget: No additional cost to DHHL

Other Partnerships

Staff should pursue similar partnerships with other educational institutions (e.g. Hawaii Pacific University and BYU Hawaii) and sources of financial assistance (e.g. Office of Hawaiian Affairs)

1.2 Homesteading Opportunities Assistance Program (H.O.A.P.)

Objective: Revive, expand, and rebrand the existing “Homeownership Assistance Program” into the “Homestead Opportunities Assistance Program,” to assist all beneficiaries.

Expansion and enhancement of the program may include technical assistance in residential, agricultural, pastoral, and aquaculture homesteading. Evaluation indicators to measure program outcomes and results will need to be developed for each Implementation Action.

Budget: \$500,000 annually

1.2.1 Residential Technical Assistance

Continue to offer current elements of the existing program, designed to provide comprehensive support and resources for homeownership including homebuyer education, financial literacy training, one-on-one credit counseling, and other homeownership tools.

1.2.2 Agricultural Technical Assistance

Provide educational and technical assistance programs to Hawaiian Home Lands agricultural lessees. The objective of the program is to increase the number of successful homesteaders in agricultural enterprises by increasing their knowledge and training in commercial and subsistence agricultural production, best management practices, marketing, financial and business skills. Current technical assistance includes group training in food productions, disease control, best management practices, business planning, processing, and marketing on Kauai, Molokai, and Hawaii Islands.

Homestead farmers have expressed the need to have more input into the program’s direction and scope of work to make effective use of limited resources (technical assistance, land, loans, project support) in accordance with intent (farm plan) and capabilities (experience, financing).

1.2.3 Pastoral Technical Assistance

Provide educational and technical assistance programs to Hawaiian Home Lands pastoral homestead lessees. The objective of the program is to increase the number of successful homesteaders in pastoral enterprises by increasing their knowledge and training in commercial and subsistence pastoral production, best management practices, marketing, financial and business skills. Current technical assistance includes group training in food

productions, disease control, best management practices, business planning, processing, and marketing on Kauai, Molokai, and Hawaii Islands.

Homestead ranchers have expressed the need to have more input into the program's direction and scope of work to make effective use of limited resources (technical assistance, land, loans, project support) in accordance with intent (ranch plan) and capabilities (experience, financing).

II. COMMUNITY DEVELOPMENT

“Community Development”

A process involving the conception, planning, and implementation of projects or activities which create improvements in (or reduce the extent of declines in) the living standards of people in a particular community.

GOAL:

To support homestead associations and beneficiary organizations in developing unified, organized, effective, and sustainable Hawaiian communities.

STRATEGY:

Beneficiary organizations provide an avenue for homestead applicants and lessees to take part in the planning of new homestead developments, the various uses of homestead land, and the management of homestead assets. These organizations need to have certain skills and resources in order to enable them to participate in these activities.

It is important to build the leadership, organizational, and management capacity within beneficiary groups. Most homestead organizations currently secure resources in order to undertake projects to benefit their communities. The types and sizes of projects are very diverse, ranging from annual community gatherings to moderate-sized recreation, education, cultural, and community center activities.

“Community Development” is consistent with the intent of the Hawaiian Homes Commission Act 201.6 which authorizes the transfer of certain department authority to democratically-elected homestead organizations that demonstrate a capacity to provide these services at a level and quality comparable to services provided by the department.

To assist in Community Development, the DHHL is focusing on the following implementation actions:

1. Hawaiian Home Lands Trust Grants
2. Technical Assistance and Training

IMPLEMENTATION ACTIONS FOR 2012-2014:

2.1 Hawaiian Home Lands Trust Grants

Objective: Provide beneficiary organizations the opportunity to seek funds through an open and competitive grant application process to support community-driven projects that improve the living standards in homestead communities, including HHC-approved Regional Plan Priority Projects and projects included in the Hawaiian Home Lands Trust Strategic Goals & Objectives 2012-2017. Grants can also be used for the following:

- Nonprofit Board Roles and Responsibilities

- Nonprofit Financial Management
- Strategic Planning
- Proposal and Grant Writing
- Project Action Planning

All grants require a minimum match of 25% of the grant request amount in outside in-kind services and/or funds. Evaluation indicators to measure program outcomes and results will need to be developed.

<i>Eligibility:</i>	Beneficiary Organizations
<i>Deadlines:</i>	April 1 and October 1
<i>Application Forms:</i>	To be developed and posted on website
<i>Review Process:</i>	Applications are distributed to an Evaluation Committee for review and rating. Project descriptions and funding recommendations are submitted to the Hawaiian Homes Commission for action.
<i>Grant Amounts:</i>	Not to exceed \$100,000 per application
<i>Budget:</i>	\$500,000 annually

2.2 Training and Technical Assistance

Objective: Provide training and technical assistance to beneficiary organizations to assist in developing organizational visions and strategies, in securing resources, in successfully implementing their community projects, and in becoming stable, self-sufficient homestead communities. Evaluation indicators to measure program outcomes and results will need to be developed for each Implementation Action.

2.2.1 Homestead Association Assistance

Planning staff will be assigned to serve as a liaison with homestead associations and beneficiary organizations to provide advice, pull in technical assistance, and serve as a point of contact and referral. As part of this role, staff will be available upon request and as budget permits to attend community and/or board meetings.

Budget: Staff time and cost for travel, lodging, coordination and presentation included in other budgets.

2.2.2 Leadership Conference

Convene homestead association and beneficiary organization leaders annually to provide technical assistance and training and also to network and develop partnerships, collaborate on projects, and to share best practices with one another. Topics may include:

- Nonprofit Board Roles and Responsibilities
- Nonprofit Financial Management
- Strategic Planning
- Proposal and Grant Writing
- Project Action Planning

- Learning Circles
Conference may be “piggy backed” on other similar conferences in attempts to partner and share costs.

Budget: \$75,000 with matching funds from USDA-RCDI grant and/or other sources

PROPOSED BUDGET

The table below highlights the annual amount and source of funding for each implementing action in the NHDPP.

Implementation Action	Source of Funding	
	NHRF & Reso. 257	Other
1.1. Education		\$202,500
1.2 Homestead Opportunities Assistance Program	\$500,000	
2.1 Hawaiian Home Lands Trust Grants	\$500,000	
2.2 Training and Technical Assistance		*\$175,000
Total Annual Budget	\$1,000,000	\$377,500

**Subject to negotiation with outside funding source*

Proposed Budget 2026 – 2027

The table below highlights the annual amount and source of funding for each implementing action in the NHDPP.

Implementation Action	Source of Funding	
	Other	State General Funds
1.2 Homestead Opportunities Assistance Program	\$600,000	
2.1 Hawaiian Home Land Grants		\$10,000,000**
Total Annual Budget	\$600,000	\$10,000,000**

Note: Historically, the NHDPP has been funded with Native Hawaiian Rehabilitation Funds (NHRF). In FY 2026 – 2027, the department is proposing to utilize other funds for the NHDPP.

** Note: Subject to applicable restrictions as set forth by the State Budget execution policies and instructions.

Below is a summary of the implementation status of the NHDPP components during Fiscal Year 2024 - 2025.

NHDPP Component	Implementation Status
Homesteading opportunities assistance	Residential technical assistance. Continued to offer elements of the existing program designed to provide comprehensive support and resources for homeownership including homebuyer education, financial literacy training, one-on-one credit counseling, and other homebuyer tools.
Homestead agriculture and pastoral assistance	UH-CTAHR CES agents on Moloka'i and Hawai'i provided technical assistance to ranchers and farmers DHHL new Agriculture Program Specialist employee starts.
Small business development and entrepreneurship training	Not implemented.
Statewide beneficiary leaders budget puwalu	Not implemented.
DHHL Community Development Grants <ul style="list-style-type: none"> • Capacity Building • Project Implementation • Existing homestead facilities State HRS Chapter 42F Grants-In-Aid administered by DHHL	17 new grants awarded this fiscal year to 13 nonprofit organizations. Drafting contracts for the new grantees; monitoring existing grantees; providing technical assistance on progress and financial reports; nonprofit compliance; and contract amendments.
Community Liaison	Continued community liaison work. Planning Office staff are assigned to specific geographic locations to respond to inquiries and requests from homestead associations and beneficiaries in their respective assigned locations. The primary objective for Liaisons is to assist beneficiaries with navigating internal department processes.

collect and analyze pertinent data in the evaluation report. The chairman may include other measures of performance and effectiveness. The evaluation report shall include recommendations for improvements as applicable. The chairman shall bring to the attention of the commission development plans that are completed or outdated, and a majority vote of the commission shall void or update such plans. [Eff and comp HHC Act, all] (Auth: HHC Act §222) (Imp: AUG 25 2010)

§10-4-60 Beneficiary consultation. (a)

Meaningful and timely consultation with beneficiaries promotes trust, partnership, and civic engagement. The type of consultation shall be appropriate to the potential impact of the decision or action.

(b) Types of consultation. The type of consultation is determined by the type of plan or implementing action:

- (1) Comprehensive. Comprehensive consultation is statewide. Notice shall be provided to all existing homesteaders, all waiting lists applicants, and other native Hawaiians who have registered with the department. The notice shall describe the proposed action and the date, time, and place of a public meeting to be held on each island. Comprehensive consultation shall apply to the preparation and amendment of Tier 1 plans, preparation and amendment of program plans, and promulgation of administrative rules.
- (2) Place-based. Place-based consultation is geographically specific. Notice shall be provided to existing homesteaders, waiting lists applicants, and other native Hawaiians who have registered with the department and who are associated with a geographic area impacted by the proposed action. The chairman shall determine the appropriate

scope of the notice. The notice shall describe the proposed action and the date, time, and place of a public meeting to be held within the geographic area. Place-based consultation shall apply to the preparation and amendment of island plans, preparation and amendment of tier 3 plans, and proposed projects that require an environmental assessment or environmental impact statement.

- (3) Ad hoc. Ad hoc consultation consists of the formation of an advisory body to provide input to the department for the preparation and amendment of any plan or implementing action. The chairman may select the advisory body, subject to consultation and ratification by the commission, for the preparation or amendment of any plans. Such ad hoc consultation for the preparation and amendment of plans shall supplement and not replace comprehensive or targeted consultation. The chairman may select an ad hoc body for an implementing action and provide a report to the commission.

(c) Consultation methods. The department shall use its best effort to employ diverse and creative notification and participation methods that reach the intended audience in the most effective yet efficient manner. [Eff and comp **AUG 25 2018**] (Auth: HHC Act §222) (Imp: HHC Act, all)