

HAWAIIAN HOMES COMMISSION

Minutes of Tuesday, January 20, 2026, at 9:30 a.m.
Hale Pono'i, 91-5420 Kapolei Parkway, Kapolei, Oahu, 96707,
and Interactive Conferencing Technology (ICT) Zoom

PRESENT Kali Watson, Chairperson
Walter Kaneakua, O'ahu Commissioner
Makai Freitas, West Hawai'i Commissioner
Lawrence Lasua, Moloka'i Commissioner
Michael L. Kaleikini, East Hawai'i Commissioner
Pauline N. Namu'o, O'ahu Commissioner
Archie Kalepa, Maui Commissioner
Sanoe Marfil, O'ahu Commissioner

EXCUSED Shaylyn Ornellas, Kauai Commissioner

COUNSEL Hokulei Lindsey, Deputy Attorney General

STAFF Richard Hoke, Executive Assistant to the Chairperson
Leah Burrows-Nuuanu, Secretary to the Commission
Juan Garcia, Homestead Services Division Administrator
Kalani Fronda, Land Development Division Acting Administrator
Robert Ing, Land Development Division Project Manager
Nancy McPherson, Planning Office Planner
Russell Kaupu, Property Development Agent
Linda Chinn, Land Management Division Special Projects
Kahana Albinio, Land Management Division Income Property Manager
Lehua Kinilau-Cano, NAHASDA Manager
David Hoke, Enforcement Team Administrator

ORDER OF BUSINESS

CALL TO ORDER

The meeting was called to order at 9:35 am by Chairperson Kali Watson. Eight (8) members were present in person and one (1) excused, establishing a quorum.

APPROVAL OF AGENDA

Chair Watson asked for a motion to approve the agenda, stating that the Commission would recess at noon for an executive session and lunch, noted that there would be no DHHL community meeting that month, and announced that several Commissioners would be excused the following day to attend the opening of the 2026 Legislature, with Commissioner Kaneakua presiding over the next day's meeting.

MOTION/ACTION

Commissioner Freitas moved and Commissioner Lasuaseconded to approve the agenda as amended. Motion carried unanimously.

APPROVAL AND AMENDMENTS OF MINUTES

December 15 & 16, 2025 meeting minutes were called for edits or comments. Chair Watson noted a single correction, clarifying that "Boulder Drone" on page four should have read "Bowl 'O Drome."

MOTION/ACTION

Moved by Commissioner Lasua, seconded by Commissioner Freitas, to approve the December 15 & 16, 2025 HHC minutes as amended. Motion carried unanimously.

NO PUBLIC TESTIMONY

II. ITEMS FOR DECISION MAKING

A. CONSENT AGENDA

HOMESTEAD SERVICES DIVISION

- D-2 Approval of Consent to Mortgage (see exhibit)
- D-3 Approval Streamline Refinance of Loans
- D-4 Approval of Homestead Application Transfers / Cancellations (see exhibit)
- D-5 Approval of Certify Applications of Qualified Applicants for the month of December, 2025 (see exhibit)
- D-6 Commission Designation of Successors to Application Rights-Public Notice 2019, 2020, 2022, 2023, 2024 (see exhibit)
- D-7 Approval of Assignment of Leasehold Interest (see exhibit)
- D-8 Approval of Amendment of Leasehold Interest (see exhibit)
- D-9 Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems for Certain Lessees (see exhibit)
- D-10 Commission Designation of Successor – RICHARD KEALOHA JR., Residential Lease No. 4743, Lot No.219A, Nanakuli, Oahu.
- D-11 Commission Designation of Successor – FRANCES E. HOLT, Residential Lease No. 385, lot No. 109, Nanakuli, Oahu

RECOMMENDED MOTION/ACTION

HSD Administrator Juan Garcia presented 9 items (D2 to D10) for approval.

J. Garcia reported that the Homestead Services Division had ten items requiring Commission approval. He highlighted that a corrected page 35 for items D4 and D6 had been provided, noting that additional staff in the Applications Branch enabled them to resolve outstanding matters. He explained that approximately seven of the agenda items involved public notices from 2019, 2022, and 2023 that were now ready for approval after successfully contacting claimants and clearing their NHQ, and he concluded by offering to answer any questions after the items were moved for motion.

DISCUSSION

Commissioner Kaneakua commended J. Garcia and his staff for the extensive and time-intensive work presented, noting that the materials represented the hopes and dreams of many beneficiaries who relied on the Commission to move the work forward, and expressed gratitude on behalf of those waiting for the work to be completed, to which J. Garcia responded by crediting the dedicated and committed staff for their efforts.

Commissioner Lasua asked about the streamlined refinance process for defaulted loans and the rationale for requiring 12 consecutive payments rather than 6. J. Garcia explained that staff continuously monitored defaulted borrowers and required 12 months of on-time payments to ensure sustained repayment ability and allow borrowers time to bring taxes, lease rent, insurance, and other obligations current before refinancing requests were brought to the Commission.

Chair Watson explained that the Department had flexibility with direct loans and was reorganizing the Collections Division by bringing in experienced personnel to work with outside consultants and pursue face-to-face approaches, including leveraging Catholic Charities grants of up to \$30,000 to significantly reduce delinquencies. J. Garcia added that from 2025 through January, the Department referred defaulted borrowers and helped beneficiaries access more than \$600,000 through the program. Chair Watson noted that reducing delinquencies strengthened the loan fund for new awards, emphasized the importance of alternative funding and borrower accountability to protect those on the waiting list, observed that delinquency rates were declining, and expected further improvement with internal adjustments.

MOTION/ACTION

Moved by Commissioner Kaleikini seconded by Commissioner Freitas to approve the motion as stated in the submittal						
Commissioner	1	2	AYE(YES)	A'OLE(NO)	KANALUA	EXCUSED
Commissioner Freitas		X	X			
Commissioner Kaleikini	X		X			
Commissioner Kalepa			X			
Commissioner Kaneakua			X			
Commissioner Lasua			X			
Commissioner Marfil			X			
Commissioner Namu'o			X			
Commissioner Ornellas						X
Chairman Watson			X			
TOTAL VOTE COUNT						
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously, Eight (8) Yes votes						

REGULAR AGENDA

LAND DEVELOPMENT DIVISION

ITEM E-1 Approval of Lease Award and Cancellation of Corresponding Application - Pi'ilani Mai Ke Kai Subdivision Phase II Residential Vacant Lots – Anahola, Kauai (see exhibit)

RECOMMENDED MOTION/ACTION

Acting Administrator Kalani Fronda presented the following:
 Motion that the Hawaiian Homes Commission to the Approval of Lease Award and Cancellation of Corresponding Application - Pi'ilani Mai Ke Kai Subdivision Phase II Residential Vacant Lots – Anahola, Kauai.

MOTION/ACTION

Moved by Commissioner Kaneakua seconded by Commissioner Kaleikini to approve the motion as stated in the submittal						
Commissioner	1	2	AYE(YES)	A'OLE(NO)	KANALUA	EXCUSED
Commissioner Freitas			X			
Commissioner Kaleikini		X	X			
Commissioner Kalepa			X			
Commissioner Kaneakua	X		X			
Commissioner Lasua			X			
Commissioner Marfil			X			
Commissioner Namu'o			X			
Commissioner Ornellas						X
Chairman Watson			X			
TOTAL VOTE COUNT						
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						

Motion passed unanimously, Eight (8) Yes votes

ITEM E-2 Approval of Lease Award and Cancellation of Corresponding Application – Wailuku Single Family Subdivision Residential Project Lease – Wailuku, Maui (see exhibit)

RECOMMENDED MOTION/ACTION

Acting Administrator Kalani Fronda presented the following:

Motion that the Hawaiian Homes Commission to the Approval of Lease Award and Cancellation of Corresponding Application – Wailuku Single Family Subdivision Residential Project Lease – Wailuku, Maui.

MOTION/ACTION

Moved by Commissioner Lasua seconded by Commissioner Kaleikini to approve the motion as stated in the submittal						
Commissioner	1	2	AYE(YES)	A'OLE(NO)	KANALUA	EXCUSED
Commissioner Freitas			X			
Commissioner Kaleikini		X	X			
Commissioner Kalepa			X			
Commissioner Kaneakua			X			
Commissioner Lasua	X		X			
Commissioner Marfil			X			
Commissioner Namu'o			X			
Commissioner Ornellas						X
Chairman Watson			X			
TOTAL VOTE COUNT						
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously, Eight (8) Yes votes						

ITEM E-3 Approval of Lease Award and Cancellation of Corresponding Application - Villages of Leali'i 1B Subdivision Residential Project Lease – Lahaina, Maui (see exhibit)

RECOMMENDED MOTION/ACTION

Acting Administrator Kalani Fronda presented the following:

Motion that the Hawaiian Homes Commission to the Approval of Lease Award and Cancellation of Corresponding Application - Villages of Leali'i 1B Subdivision Residential Project Lease – Lahaina, Maui.

MOTION/ACTION

Moved by Commissioner Kalepa seconded by Commissioner Kaneakua approve the motion as stated in the submittal						
Commissioner	1	2	AYE(YES)	A'OLE(NO)	KANALUA	EXCUSED
Commissioner Freitas			X			
Commissioner Kaleikini			X			
Commissioner Kalepa	X		X			
Commissioner Kaneakua		X	X			
Commissioner Lasua			X			
Commissioner Marfil			X			
Commissioner Namu'o			X			

Commissioner Ornellas						X
Chairman Watson			X			
TOTAL VOTE COUNT						
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously, Eight (8) Yes votes						

ITEM E-4 Approval of Lease Award and Cancellation of Corresponding Application - Waiehu Mauka Subdivision Residential Project Lease – Wailuku, Maui (see exhibit)

RECOMMENDED MOTION/ACTION

Acting Administrator Kalani Fronda presented the following:

Motion that the Hawaiian Homes Commission to the Approval of Lease Award and Cancellation of Corresponding Application - Waiehu Mauka Subdivision Residential Project Lease – Wailuku, Maui.

MOTION/ACTION

Moved by Commissioner Kalepa. Seconded by Commissioner Kaleikini to approve the motion as stated in the submittal						
Commissioner	1	2	AYE(YES)	A'OLE(NO)	KANALUA	EXCUSED
Commissioner Freitas			X			
Commissioner Kaleikini		X	X			
Commissioner Kalepa	X		X			
Commissioner Kaneakua			X			
Commissioner Lasua			X			
Commissioner Marfil			X			
Commissioner Namu’o			X			
Commissioner Ornellas						X
Chairman Watson			X			
TOTAL VOTE COUNT						
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously, Eight (8) Yes votes						

ITEM E-5 Approval of Lease Award and Cancellation of Corresponding Application – Kamalani Subdivision - Residential Project Lease – Kihei, Maui (see exhibit)

RECOMMENDED MOTION/ACTION

Acting Administrator Kalani Fronda presented the following:

Motion that the Hawaiian Homes Commission to the Approval of Lease Award and Cancellation of Corresponding Application – Kamalani Subdivision - Residential Project Lease – Kihei, Maui.

K. Fronda recommended approval of the award of 99-year DHHL lot leases to the 71 listed applicants for the Kamalani subdivision and approval of the cancellation of their residential applications upon conveyance of the lease awards.

Chair Watson stated that the Homestead Services Division made significant progress in issuing nearly 1,000 project leases, reflecting staff efforts and a change in approach that made the program very active. He noted that the \$600 million funding supported only the first phase of construction, with a second phase planned, and said the Department was working with the Legislature to secure additional funding through various means, expressing support from the House, ongoing efforts to convince the Senate, and the goal of establishing a steady funding stream for the next 25 years.

MOTION/ACTION

Moved by Commissioner Kalepa seconded by Commissioner Freitas to approve the motion as stated in the submittal						
Commissioner	1	2	AYE(YES)	A'OLE(NO)	KANALUA	EXCUSED
Commissioner Freitas		X	X			
Commissioner Kaleikini			X			
Commissioner Kalepa	X		X			
Commissioner Kaneakua			X			
Commissioner Lasua			X			
Commissioner Marfil			X			
Commissioner Namu'o			X			
Commissioner Ornellas						X
Chairman Watson			X			
TOTAL VOTE COUNT						
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously, Eight (8) Yes votes						

LAND MANAGEMENT DIVISION

ITEM F-1 Approval to Amend License to Remove and Release Hawaii Maoli from License Agreement No. 642, Hawaii Maoli and Association of Hawaiian Civic Clubs, East Kapolei, Oahu Island, Tax Map Key No. (1) 9-1-016:108 (p)

RECOMMENDED MOTION/ACTION

Land Management Division Administrator Frank Hall presented the following:

Motion that the Hawaiian Homes Commission to the Approval to Amend License to Remove and Release Hawaii Maoli from License Agreement No. 642, Hawaii Maoli and Association of Hawaiian Civic Clubs, East Kapolei, Oahu Island.

F. Hall recommended approval of an amendment to License Agreement No. 642 in East Kapolei, O'ahu, to release Hawaii Maoli as a co-licensee per its December 5, 2025 request and recognize the Association of Hawaiian Civic Clubs as the sole licensee effective February 1, 2026, while keeping all other terms unchanged. He also requested authorization for DHHL to address any outstanding compliance matters and approval of the amendment by the State of Hawai'i Department of the Attorney General. He then recognized that AOHCC President Dre Kalili was present to answer questions.

President of the Association of Hawaiian Civic Clubs (AOHCC) Dre Kalili explained that AOHCC would become the sole licensee if the item was approved, noting that the organization had been involved with the license and property since its inception. She stated that the prior partnership with a 501(c)(3) organization had ended, which prompted the current request, and said that this change and Hawaii Maoli's willingness to be released from the license stemmed from the Commission's action taken at the October meeting, for which she expressed appreciation. She further shared that AOHCC had been approached by KCDC and the Hawaiian Council, which currently occupied the property through a partnership, to consider a coordinated and collaborative redevelopment of the site to better meet community service needs in 2026, but emphasized that she had deferred those discussions until AOHCC was fully responsible for the license, which approval of the item would allow them to pursue.

DISCUSSION

Commissioner Namu’o asked whether there was a timetable for resolving the matter, and D. Kalili responded that if the Commission approved the item that day, she would work with the Land Management Division to sign the license, after which the remaining issues between the AOHCC and Hawaii Maoli would be resolved immediately, with additional time needed only to work with partner licensees on future plans for the pads.

Chair Watson then asked about a discrepancy between an \$80,000 amount referenced in an email and the \$75,000 stated in the agreement, and D. Kalili clarified that there was no amendment to the agreement and that the total payment would be \$75,000, with a remaining balance of \$50,000 to be paid.

MOTION/ACTION

Moved by Commissioner Freitas seconded by Commissioner Kaleikini to approve the motion as stated in the submittal						
Commissioner	1	2	AYE(YES)	A’OLE(NO)	KANALUA	EXCUSED
Commissioner Freitas	X		X			
Commissioner Kaleikini		X	X			
Commissioner Kalepa			X			
Commissioner Kaneakua			X			
Commissioner Lasua			X			
Commissioner Marfil			X			
Commissioner Namu’o			X			
Commissioner Ornellas						X
Chairman Watson			X			
TOTAL VOTE COUNT						
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously, Eight (8) Yes votes						

ITEM F-2 Approval to Amend License to Remove and Release Pana’ewa Community Alliance from License No. 788, Pana’ewa Hawaiian Homes Community Association and Pana’ewa Community Alliance, Pana’ewa, Hawaii Island, Tax Map Key No, (3) 2-2-047:075

RECOMMENDED MOTION/ACTION

Administrator Frank Hall and Special Projects Agent Linda Chinn presented the following: Motion that the Hawaiian Homes Commission to the Approval to the Settlement on Reopened Ground Lease Rent and Surrender of General Lease, General Lease No. 204, Pacific Waste, Inc., Kaei Hana II Industrial Subdivision, Kawaihae, Hawai’i Island.

F. Hall recommended that the Hawaiian Homes Commission approve an amendment to License No. 788 to remove and release Pana’ewa Community Alliance as a co-licensee and to recognize the Pana’ewa Hawaiian Homelands Community Association as the sole licensee. The amendment would take effect on February 1, 2026, that all other terms and conditions of License No. 788 would remain in full force and effect, and that approval of the amendment document by the State of Hawai’i Department of the Attorney General was requested. He also noted that Kauilani Almeida, President of the Community Association, was present to provide background if needed.

Chair Watson noted that the license dated back to 1995, previously identified as License No. 365, and asked about the current status of the site. K. Almeida explained that the Association had received a federal grant from the U.S. Department of Agriculture to install fencing to address trespassing related to homeless use of the forested area, and that progress had been delayed due to the fencing work and obtaining insurance. She

further explained that these issues were why the request was made to remove the former co-licensee, as all licensees must be included on related documents, and emphasized her goal of returning full responsibility and control of the project to the community association.

Chair Watson recalled meeting K. Almeida decades earlier when ambitious plans for the site were presented and expressed hope that the current action would finally move the project forward rather than face further decades of delay. He stated candidly that he would be closely monitoring the site, emphasizing that fencing alone was insufficient and that he expected to see real development activity, such as kupuna housing or a resource center. He urged the Association to engage a developer or qualified partners if necessary, made clear that the property could not remain undeveloped, and indicated he was willing to provide grant funding to help advance the project, provided meaningful progress occurred.

K. Almeida explained that the Association was reviewing previous plans for the site to align with current community needs, noting that the project had been stalled due to a seven-year moratorium. She acknowledged the Department’s support. Chair Watson stressed the need to see actual progress on the property, warning that the project could be taken back if no activity occurred.

MOTION/ACTION

Moved by Commissioner Kaleikini seconded by Commissioner Freitas to approve the motion as stated in the submittal						
Commissioner	1	2	AYE(YES)	A’OLE(NO)	KANALUA	EXCUSED
Commissioner Freitas		X	X			
Commissioner Kaleikini	X		X			
Commissioner Kalepa			X			
Commissioner Kaneakua			X			
Commissioner Lasua			X			
Commissioner Marfil			X			
Commissioner Namu’o			X			
Commissioner Ornellas						X
Chairman Watson			X			
TOTAL VOTE COUNT						
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously, Eight (8) Yes votes						

ITEM F-3 Authorization to initiate General Lease process pursuant to §204(a)(2) or §220.5, Hawaiian Homes Commission Act, 1920, as amended, for the following parcel, Kawaihae, Hawaii Island, TMK No. (3) 6-1-006:008

RECOMMENDED MOTION/ACTION

Administrator Frank Hall and Income Property Manager Kahana Albinio presented the following: Motion that the Hawaiian Homes Commission to the Authorization to initiate General Lease process pursuant to §204(a)(2) or §220.5, Hawaiian Homes Commission Act, 1920, as amended, for the following parcel, Kawaihae, Hawaii Island.

F. Hall recommended approval of the disposition of parcels in the Kawaihae Kaihana II Industrial Subdivision on Hawai‘i Island, including expanding the budget for due diligence activities such as a fair market appraisal, environmental assessment, and DHHL beneficiary consultation. He also recommended setting all terms and conditions of the disposition in accordance with Sections 204A2 and 220.5 of the Hawaiian Homes Commission Act of 1920, as amended, and Chapter 171 of the Hawai‘i Revised Statutes.

K. Albinio explained that the process was to initiate the disposition for a general lease, noting that a previous lessee had surrendered their lease last month after paying approximately \$280,000, and emphasized the need to complete due diligence before placing a new lessee on the property.

DISCUSSION

Commissioner Freitas acknowledged the lengthy process leading to the current stage and highlighted that due diligence, including the environmental assessment and consultation, would be completed before initiating the lease process, emphasizing collaboration with the Kalapana Homestead Association to address any concerns the commission might not be aware of.

K. Albinio confirmed they would work closely with the Planning Office as well. Chair Watson inquired about the condition of the two warehouses on the site, and K. Albinio reported they were in usable condition, open rather than enclosed, and suitable for occupancy by a future lessee.

Commissioner Kalepa asked if the lease would be offered at fair market value, and K. Albinio confirmed that an appraisal would be conducted. Commissioner Kaleikini inquired whether there had been any interest in the property, and Albinio stated that, to his knowledge, there had not been. Chair Watson expressed concern about the lack of interest and suggested leveraging staff from other districts who might have additional contacts, emphasizing the need for broader information gathering and outreach to avoid the lease award being overlooked.

K. Albinio noted that the property was being advertised on the Department’s website, including drone footage prepared by staff, but Chair Watson questioned why private brokers were not involved and asked if they could offer a commission to attract tenants. K. Albinio and F. Hall indicated that offering a commission was likely not allowed, and Chair Watson turned to the Deputy Attorney General Hokulei Lindsey, to confirm whether it would be permissible to provide a commission to a broker who secured a good tenant.

DAG H. Lindsey explained that hiring a broker would require a professional services procurement. Chair Watson agreed, noting that advertising the lease only on the Department’s website was too limited and emphasized the need for a more professional and aggressive approach to marketing and managing revenue-producing lands. He called for a vote to pursue this approach, which was carried unanimously.

MOTION/ACTION

Moved by Commissioner Freitas seconded by Commissioner Lasua to approve the motion as stated in the submittal						
Commissioner	1	2	AYE(YES)	A’OLE(NO)	KANALUA	EXCUSED
Commissioner Freitas	X		X			
Commissioner Kaleikini			X			
Commissioner Kalepa			X			
Commissioner Kaneakua			X			
Commissioner Lasua		X	X			
Commissioner Marfil			X			
Commissioner Namu’o			X			
Commissioner Ornellas						X
Chairman Watson			X			
TOTAL VOTE COUNT						
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously, Eight (8) Yes votes						

ITEM F-4 Approval to Amend the Entity to be Issued a Long-Term License Agreement from “Homestead Association of Veterans” to the “Molokai Homestead Association of Veterans” for the Management of the Ho’olehua Veterans and Homestead Residents’ Center, Ho’olehua, Molokai Island, TMK (2) 5-2-015:053 (por.)

RECOMMENDED MOTION/ACTION

Administrator Frank Hall and Land Agent Andrew Sante presented the following:

Motion that the Hawaiian Homes Commission to the Approval to Amend the Entity to be Issued a Long-Term License Agreement from “Homestead Association of Veterans” to the “Molokai Homestead Association of Veterans” for the Management of the Ho’olehua Veterans and Homestead Residents’ Center, Ho’olehua, Molokai Island.

F. Hall recommended that the Hawaiian Homes Commission approve amending the entity to be issued the long-term license from the Homestead Association of Veterans to the Molokai Homestead Association of Veterans for administration, fiscal management, and maintenance of the Ho’olehua Veterans Homestead Residence Center. All previously approved license terms from the October 20–21, 2004 submittal Item F-5 would remain in effect. Hall noted that the October 2024 action had approved an interim license to the Molokai Homestead Farmers Alliance to perform management functions and assist the future long-term licensee in obtaining tax-exempt status, while the long-term license had originally been issued to the Homestead Association of Veterans. The Land Management Division was informed that the long-term licensee had changed to the Molokai Homestead Association of Veterans, a registered domestic nonprofit, and confirmed that the interim licensee continued to provide technical support to ensure a smooth transition.

Commissioner Lasua noted that a contractor had to be brought in to repair walls, marking the second or third time drywall issues had occurred, and emphasized that as long as repairs continued, there were no concerns. F. Hall confirmed the department would monitor the repairs.

Commissioner Kaneakua acknowledged past tensions during meetings at the site and expressed support for Commissioner Lasua’s involvement in smoothing relations, which Confirmation Lasua confirmed had been successful, with veterans and the other association now in agreement. Chair Watson praised the Commissioners’ hands-on involvement in resolving the emotionally charged situation.

Commissioner Lasua added that he had previously met with General Logan and Hara before the Hoolehua Veterans assumed control, highlighting the site’s role in disaster recovery and resilience planning for nearby homesteaders, particularly regarding high tides and tsunami evacuation, with military support for safety considerations.

Public Testimony - Kahekili Pa-Kala - a beneficiary of Kapa’akea Homestead and president of the Kapa’akea Association, testified in opposition . He expressed frustration that the Kapa’akea Homestead Association was portrayed as supportive of funding for the veteran center, noting that a new veteran center had recently been built on Moloka’i and that their homestead had experienced significant flooding and damage due to sea level rise. He criticized the Planning Division for taking their ideas and modifying them for their own benefit, warning that further development in the ahupua’a would strain already limited water resources, citing the Kawela Intake issue. Pa-Kala argued that funding and attention were disproportionately directed toward the Kalama’ula Homestead Association and other associations, while Kapa’akea and Kamiloloa homesteads, where he and his family reside, were overlooked. He described his efforts, along with his community, to mitigate flooding and protect homes, emphasizing that their work and concerns had been ignored in favor of other projects. He concluded by questioning the leadership and communication of the Homestead Associations’ collective hui, expressing concern that his community’s needs were not being adequately represented or addressed.

Chair Watson noted that sea level rise posed a significant challenge in the area and that the Department was working to address it. He explained that, similar to actions taken in Kalama’ula where residents had to be relocated to Ho’olehua, they might need to consider relocation for affected lessees. He emphasized that the

Veterans Center was intended primarily as an emergency shelter to provide a safe place during events such as tsunamis, while working with existing lessees to manage the difficult situation.

MOTION/ACTION

Moved by Commissioner Lasua seconded by Commissioner Freitas to approve the motion as stated in the submittal						
Commissioner	1	2	AYE(YES)	A'OLE(NO)	KANALUA	EXCUSED
Commissioner Freitas		X	X			
Commissioner Kaleikini			X			
Commissioner Kalepa			X			
Commissioner Kaneakua			X			
Commissioner Lasua	X		X			
Commissioner Marfil			X			
Commissioner Namu'o			X			
Commissioner Ornellas						X
Chairman Watson			X			
TOTAL VOTE COUNT						
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED						
Motion passed unanimously, Seven (7) Yes votes						

ITEMS FOR INFORMATION/DISCUSSION

OFFICE OF THE CHAIRMAN

ITEM C-1 For Information Only – Draft Native Hawaiian Housing Block Grant Annual Housing Plan 2026-2027

RECOMMENDED MOTION/ACTION

None. For Information only. NAHASDA Manager Lehua Kinilau-Cano presented the following:

L. Kinilau-Cano presented a Draft Housing Plan and walked the Commissioners through proposed uses of federal funds. She explained that capital improvement projects would primarily use remaining contract balances for East Kapolei site development and pre-service electrical work, while planning for the ‘Ewa Beach Homestead Project was ongoing and expected to be finalized by the end of the fiscal year. She highlighted developer financing that included a \$2.4 million letter of commitment to support 30 units in Lā‘i ‘Opua, emphasizing this as an example of leveraging funds, and contrasted it with homeowner financing proposals that required significantly more funding for fewer units, including \$27 million for 45 families in Pu‘uhona, Maui, and \$25.8 million of a \$31.4 million total for 43 families in Ka‘uluokaha‘i. She also described home assistance projects, showing before-and-after repairs of an older home in Nānākuli supported by area-wide environmental clearance, and a completed demo-rebuild home in Waimānalo, noting these as examples of rehabilitation and rebuilding efforts in the department’s oldest homestead communities.

DISCUSSION

Commissioner Kalepa asked about the cost of the rebuild projects, and L. Kinilau-Cano explained that the Nānākuli home repairs, completed in partnership with Leeward Habitat, cost up to \$100,000, while the demo-rebuild of a home in Waimānalo, done with Honolulu Habitat, was estimated to be in the \$400,000 range, with the exact figure to be confirmed. She also described the Waimānalo Kupuna Housing Project, noting that DHHL subsidized rents to keep them affordable by providing monthly subsidies ranging from \$300 to \$1,400 per unit, totaling approximately \$871,500 annually. L. Kinilau-

Cano further explained the kupuna rental subsidy program for beneficiaries on the waitlist, which assisted about 142 households with over \$2.2 million disbursed. In response to Commission Kalepa's question, she said the Waimānalo kupuna housing had some vacancies as well as a waitlist. Commissioner Kalepa emphasized the growing need for kupuna housing across Hawaiian Homes projects and noted the chair's interest in using low-income housing tax credits and leveraging NAHASDA funds, citing the example of \$2.4 million supporting 30 units.

L. Kinilau-Cano reported that DHHL planned to expand kupuna housing using low-income housing tax credits, building on the Waimānalo model, with future projects planned for Moloka'i, Wai'anae, and the Big Island around 2027. She explained that rental vouchers would keep tenant costs below 30 percent of income, housing counseling was required for NAHASDA assistance, and homeowner assistance of up to \$30,000 was available through Hawai'i Community Lending to prevent lease cancellations, alongside ongoing Moloka'i water infrastructure improvements. She noted the completion of 18 transitional housing units in Kalaeloa, plans to renovate emergency-built units in Mā'ili for rentals, pilot modular housing projects in Ka'uluokaha'i and Wai'anae to reduce costs, and the Hale kumu Mamo transitional housing pilot for homeless beneficiaries, with potential expansion. She also introduced proposed NAHASDA-funded model activities for community facilities serving low-income families, subject to HUD approval, and noted that the housing plan remains a draft pending commission review and submission to HUD.

Public Testimony - Kenna Stormogibson – Testified in appreciation of the commission's oversight of NAHASDA funds and expressed support for the current proposal, noting that its focus on homeownership programs, limited low-income rental housing, and varied uses better aligned with beneficiary needs compared to the prior year. She contrasted this with the previous allocation of \$25 million in NAHASDA funds to purchase Waipouli Courtyards on Kaua'i, which she said had little local interest as a rent-to-own complex and had led to three ongoing court cases filed by residents alleging violations of their Uniform Relocation Act rights. She explained that because NAHASDA funds are federal funds, they require compliance with federal rules ensuring residents are not made worse off and are provided equal or better housing and noted that the department's November 30th 90-day notices failed to identify comparable housing or rental assistance and instead threatened legal action. She emphasized that such actions conflicted with the spirit of the Uniform Relocation Act, urged the commission to continue consulting beneficiaries in future NAHASDA uses, and cautioned against decisions that could expose the department to legal risk and costly litigation.

ITEM C-2 For Information Only – Status Report of DHHL Enforcement Unit Efforts and Statistics (December 8, 2025 – January 11, 2026)

RECOMMENDED MOTION/ACTION

None. For Information Only. Enforcement Team Administrator David Hoke presented the following:

D. Hoke reported on the unit's monthly efforts from December 8 through January 11, stating that 14 investigation requests were received during that period, bringing the 2025 total to 204, with five additional requests received early in the new year. He reported that 29 reports were submitted since the last update, bringing the 2025 total to 465, along with one additional report submitted in the new calendar year, and noted that eight official correspondences were sent to beneficiaries regarding ongoing investigations. He acknowledged the Enforcement staff, investigators, and legal assistant for their extensive work, emphasizing that the confidential nature of the cases limited public visibility into the significant time and effort required for each investigation. He further reported that the unit assisted with HIEMA related to severe weather, continued modernization efforts with Salesforce to improve efficiency and data processing, conducted regular monthly engagement, and received strong beneficiary responses to a second outreach seeking letters of support for the HWMO grant, which he said was critical given limited funding, and concluded by noting ongoing collaboration with other agencies to further advance the unit's work.

DISCUSSION

Commissioner Kaneakua appreciated the Enforcement Team's work and, after spending time in the field with them, emphasized its importance in addressing vacant commercial and residential properties used for illegal activities and in creating liability for the Department. Many abandoned residential properties had deteriorated beyond repair and required demolition. The Enforcement Team provided critical insight when considering lease cancellations and the best use of properties, helping reduce liability while increasing revenue opportunities for the Department.

D. Hoke explained that lease cancellations were never taken lightly but were pursued only when properties were clearly neglected, beyond repair, and unfairly occupying opportunities needed by others on the wait list. He emphasized that seeing conditions in person revealed the severity of neglect more clearly than photos, making cancellation an unfortunate but necessary solution in some cases. He also confirmed that Enforcement Unit checks were conducted statewide, encouraged broader reporting since the unit was largely complaint-driven, and stressed that increased awareness could help address issues earlier.

ITEM C-3 For Information Only - Addition of Chair Kali Watson to the Permitted Interaction Group Pursuant to HRS Section 92-2.5 and HAR section 10-2-16(b)(1), to Study, Evaluate, and Recommend Strategies for Geothermal

RECOMMENDED MOTION/ACTION

None. For Information Only. OCH Property Development Agent Russell Kaupu presented the following:

R. Kaupu providing background on the permitted interaction group (PIG) formed to investigate geothermal development on Hawaiian homelands, including its creation date and activities. He explained that the PIG was chaired by Makai Freitas with Commissioner Kaleikini, and that membership was at the chair's discretion. He informed the commission that the chair had appointed himself as the third commissioner on the PIG, noting the importance of geothermal development to the chair's phase two homestead development plans and ongoing coordination, including the chair's trip to New Zealand to consult with Māori leaders on indigenous geothermal development, and expressed optimism about future progress.

Commissioner Freitas stated that the action was an appropriate next step after more than a year of research and information gathering and emphasized that it marked a first step toward involving beneficiaries, as raised in A. Inomoto's testimony, while appreciating K. McDonald's outreach and community information efforts.

R. Kaupu added that D. Kalili had recently presented to the Association of Hawaiian Civic Clubs with positive results and noted increasing momentum within communities, among beneficiaries, and at the legislature, with the chair leading much of the effort.

HOMESTEAD SERVICES DIVISION

ITEM D-1 HSD Status Reports

RECOMMENDED MOTION/ACTION

None or Information Only. Homestead Services Division Administrator Juan Garcia presents the following:

- A. Homestead Lease Totals & Monthly Activity Reports
- B. Delinquency Report

J. Garcia informed the Commissioners that Item D-1 included Exhibit A with homestead lease and application totals and activity reports and Exhibit B with the delinquency report. He explained that as modernization continued and the department transitioned from the old database to Salesforce, some discrepancies in application and lease numbers were being identified, but staff was actively working with the vendor to improve accuracy and resolve remaining issues. He noted that the delinquency report showed a

continued downward trend, reflecting staff adjustments, and advised that additional contested case hearings would be forthcoming to further address remaining delinquencies.

LAND DEVELOPMENT DIVISION

ITEM E-6 For Information Only – Updates Lease Awards Schedule for January 2026 to June 2026.

RECOMMENDED MOTION/ACTION

None. For Information Only. LDD Administrator Kalani Fronda presented the following:

K. Fronda provided updates for items E6 and E7 for information purposes, beginning with E6 to report on the award schedule and ongoing efforts to address the wait list, highlighting the division’s outcomes and advocacy efforts.

K. Fronda provided a comprehensive update on the Department’s housing programs, emphasizing transparency and accessibility for beneficiaries. He noted that the presentation recordings would be available online for those unable to attend and emphasized the importance of keeping beneficiary information current to ensure timely notification of opportunities and waitlist status. As of December 31, 2025, the Department had fully encumbered \$600 million from Act 279, with approximately \$511.2 million dedicated to infrastructure, unlocking around \$2 billion in developer financing for vertical development. About 6% of the funds were used to acquire roughly 550 acres of land strategically located near infrastructure, educational, and medical facilities, while 5% (around \$36 million) went toward financing and beneficiary services in partnership with 501(c)(3) organizations to provide financial literacy and homeownership preparation. Over the past century, the Department issued 10,000 leases. With current funding, they aim to issue roughly 7,000 project leases, completing approximately 2,500 lots, and are seeking additional funds for phase two.

He also explained the new project lease approach, which builds homes based on what beneficiaries can afford rather than trying to fit them into prebuilt houses. He described various housing options, including rent-to-own, turnkey homes, self-help housing, and owner-builder lots, emphasizing the importance of financial assessments, credit readiness, and construction support through partnerships with organizations like Hawaii Community Lending and Habitat for Humanity. He also outlined pre-approved flexible home plans that allow beneficiaries to expand homes in the future, such as adding bedrooms or accessory dwelling units. Workshops and orientations were being held to support beneficiaries in completing financial assessments, with recent sessions for the Pana‘ewa project and upcoming sessions in Hilo for Honomū project leases.

K. Fronda provided a detailed project schedule for 2026, highlighting major initiatives including Pana‘ewa (400 project leases, 2026–2031), Honomū (50 project leases, 2026–2031), La‘i ‘Opua Village 4 and 5, Waipouli, Maui Agricultural projects, Ewa Beach/Nanakuli, Nā‘iwa, and Molokai scattered lots, and large-scale Lihue and East Kapolei projects, with projected occupancies ranging from 2026 to 2033 depending on infrastructure and development timelines. He emphasized the importance of continuing work on lease-up programs, including plans for Hale Mo‘ili‘ili, and concluded by noting the significant ongoing effort to ensure these projects and programs meet beneficiaries' needs while leveraging partnerships and funding to maximize housing opportunities.

DISCUSSION

Commissioner Kaleikini inquired about the subsistence agricultural lots at Pana‘ewa and Honomū Phase One, confirming that lessees had access to the lots and could begin their activities. Fronda clarified that power installation was either completed or would be finished shortly and noted ongoing discussions with lessees and the district office to secure the area due to its accessibility to tourists and the general public, aiming to prevent it from being used as public parking.

Commissioner Kaleikini acknowledged the challenge of managing traffic and public access in that beautiful but busy location. Chair Watson added that the Department was exploring potential land transfers to support

both additional homesteading development and economic opportunities for beneficiaries, given the high tourist activity in the area. Commissioner Kaleikini expressed support for economic development opportunities for beneficiaries and asked about plans for the commercial-zoned lots near the entrance of Phase One, which K. Fronda said would require further discussions with the planning office and could be included in future updates.

Commissioner Kaneakua commented on the importance of the presentation, emphasizing that sharing timely updates with beneficiaries, whether on the waitlist or already holding project leases, was critical to maintaining trust and ensuring program success.

Chair Watson outlined strategies to secure funding, including bonding, tax credits, HHFDC funds, foundations, and potential permanent financing through a conveyance tax on high-value properties often held by non-locals, which he viewed as speculative. He stressed the importance of legislative support and encouraged commissioners and the public to advocate with their legislators, noting that all departmental plans depended on this funding. K. Fronda added that the program's success relied not only on staff but also on collaboration with service providers, developers, and associations, whose contributions and advocacy were essential to advancing the program on an accelerated timeline, emphasizing that such progress could not be achieved by the department alone.

ITEM E-7 For Information Only – Draft Environmental Assessment, Ho‘olehua Scattered Lots Subdivision; Ho‘olehua, Moloka‘i, Hawai‘i; TMK Nos. (2)5-2-005:031; (2)5-2-026:003, :014, :016, and :017, Pu‘u Kapele Ave. (por.), Farrington Ave. (por.) and Mo‘omomi Ave. (por.)

RECOMMENDED MOTION/ACTION

None. For Information Only. Planning Office Planner Nancy McPherson and LDD Land Agent Robert Ing presented the following:

N. McPherson provided a joint update on the draft environmental assessment (EA) for the Ho‘olehua Scattered Lots Subdivision Project, noting that an anticipated finding of no significant impact was expected. The EA was prepared in compliance with Chapter 343 and served as an environmental disclosure document, with the Hawaiian Homes Commission acting as the accepting authority responsible for determining whether the proposed action would have a significant impact based on 13 significance criteria. Staff oversaw the preparation of the document and technical studies, while the Commission's role was to review, question, and ensure adequacy of the disclosure. The draft EA, published in the environmental notice in October 2024 after an 18-month gap and staff changes, provided information on the project schedule, next steps, and offered beneficiaries an opportunity to comment. The Ho‘olehua Pala‘au lands span over 13,000 acres—about 53% of all Hawaiian homelands on Moloka‘i—with diverse topography including level areas, rolling hills, sea cliffs, and gulches, and the project aligned with the 2005 Moloka‘i Island Plan, which designated areas for future subsistence agriculture lots, reflecting lessees' support for subdividing large lots to benefit future generations.

R. Ing provided an update on the Ho‘olehua Scattered Lots Subdivision Project, explaining that five TMK parcels were being subdivided into 12 subsistence agricultural lots with varied shapes and acreages designed to ensure fairness among beneficiaries, considering topography, gulches, and drainage that limit usable agricultural land. He noted that one one-acre lot contained a house built in 2001, which was being assessed for salvage or demolition, and adjustments to the lot could be made if needed. Infrastructure improvements included potable water connections via the Ho‘olehua Water System, access to the Molokai Irrigation System for agricultural use, drainage, roadways, and electrical service, with discussions ongoing regarding assistance for lengthy water laterals. Seven lots were designated for subsistence agriculture of three acres or less, and five larger lots were designated for supplemental agriculture under approved farm plans. Additional project scope included demolishing abandoned structures and cesspools, and beneficiaries building homes would require individual wastewater systems approved by the State Department of Health. Existing connections to the Molokai Irrigation System had sufficient capacity for the 12 lots, and consultants from Munekiyo Hiraga, Associates were present to address technical aspects of the environmental assessment.

K. Fukuda explained that her firm had been contracted to prepare the Chapter 343 Environmental Assessment for the Ho‘olehua Scattered Lots Project because the project involved the use of state lands and funds, triggering environmental review requirements. Multiple technical studies supported the draft EA, including archaeological and cultural studies, a cultural impact assessment with a Kapa‘a-kai Analysis in progress, preliminary engineering and drainage, biological resources, and hazardous materials surveys for structures proposed for demolition. The draft EA and anticipated finding of no significant impact were published in October 2024, and comments were received from several federal, state, and county agencies. She stated that a draft final EA was being prepared to include responses to agency and beneficiary comments and the completed Kapa‘a-kai Analysis, after which a FONSI determination would be requested from the commission. The draft EA evaluated all 13 Chapter 343 significance criteria and concluded no significant impacts were anticipated, provided mitigation measures were implemented. These measures addressed short-term construction impacts, erosion and sediment control, drainage improvements, protection of biological and cultural resources, wildfire risk reduction, roadway and infrastructure improvements, potable and agricultural water service, and individual wastewater systems approved by the Department of Health. She also outlined additional permits and approvals required, including historic preservation review, NPDES permitting, subdivision actions, and utility permits. She concluded that the project was not expected to have significant environmental impacts, would provide necessary infrastructure, and would support subsistence and supplemental agricultural opportunities consistent with DHHL and Moloka‘i Island plans.

Commissioner Lasua asked whether wastewater treatment for the Moloka‘i project would require septic systems instead of cesspools. R. Ing responded that cesspools were being universally phased out statewide. Chair Watson clarified that a wastewater system would only be required if a beneficiary chose to build a house on the lot, and that if the land was used solely for farming, particularly for subsistence agricultural purposes, no wastewater system installation would be necessary.

N. McPherson reviewed the project timeline, noting that the draft environmental assessment was published in October 2024 and that a beneficiary informational meeting was held on November 12, 2025, during which generally supportive comments and questions were received and will be addressed in the final EA. She explained that consultants were preparing the final EA with the goal of returning to the commission at the February meeting, with publication anticipated in March 2026 or April at the latest, depending on additional comments, and noted that construction planning was ongoing under an aggressive schedule to make up for an earlier 18-month delay.

R. Ing stated that the project was being prepared for NAHASDA funding, which required additional studies, and expressed hope that subdivision and permit applications would be underway by the summer, with the removal of existing cesspools and structures completed, allowing the project to go out to bid for construction in the fourth quarter of the year, subject to those conditions.

Commissioner Lasua raised a concern about the Environmental Assessment related to the Moloka‘i Irrigation System (MIS), noting a recent pipe break and asking whether the issue was recognized, whether the Department of Agriculture was responsible, whether the existing pipes were old or defective, and whether steps were being taken to ensure future homesteaders would not face similar water service disruptions.

K. Fronda explained that the department had begun exploring the condition of the Moloka‘i Irrigation System and initiated early discussions with the Department of Agriculture, undertaking due diligence to better understand existing issues, costs, and system capacity, and noted that utilizing the MIS would benefit beneficiaries by shifting agricultural lands off potable water and freeing up potable water capacity.

Chair Watson explained that the Department was seeking funding and conducting an in-house assessment to determine the scope and cost of repairing the Moloka‘i Irrigation System, noting concerns about recent pipe failures and significant Department of Agriculture repair costs and emphasizing the need to fully understand system conditions before assuming control. The Department of Agriculture was receptive to a potential transfer, that the system’s operational revenue was positive and helped support other off-island systems, and

that there was potential to take it over once costs were clear. The Department was working with Senator DeCoite, who was supportive and might help secure initial assessment funding, but anticipated that full repairs could exceed \$20 million, possibly more.

ITEM F-5 For Information Only. Presentation by Waimea Nui Community Development Corporation on Proposed Cemetery Parcel, Puukapu, Hawaii Island. Tax Map Key No. (3) 6-4-038:011 (P)

RECOMMENDED MOTION/ACTION

None. For Information Only. Administrator Frank Hall presented the following.

F. Hall involved a presentation by the Waimea Nui Community Development Corporation regarding a proposed cemetery parcel at Pu'ukapu on Hawaii Island, and he introduced Mike Hodson to present the item.

M. Hodson was tasked with developing a process for establishing a homestead cemetery on Hawaiian Home Lands, a need identified as early as 2013 through the Waimea Nui community's master planning and the Kulia I Ka Nu'u program. He described how the lack of cemetery space in Waimea County, which was less than a quarter acre, had forced families to cremate kupuna due to no available burial options, making a cemetery the community's most urgent issue. He detailed his extensive investigation into state and county requirements and emphasized that Hawaiian Home Lands are largely exempt from typical cemetery regulations because they are federal trust lands where burial plots cannot be sold or fees collected. As a result, many regulatory frameworks under agencies such as DCCA, Department of Health, DLNR, and others did not apply, since those rules are tied to commercial, fee-based cemetery operations. The Department, through the Hawaiian Homes Commission, had the authority to designate land as a cemetery, which meant that an existing general lease could not be used and that cemetery operations required a licensing approach.

While Department of Health Title 11 cemetery rules do not formally apply to Hawaiian Home Lands beyond burial permits, the Department and Commission would still need to adopt comparable rules and procedures to ensure proper cemetery management, with the Commission acting as the cemetery authority. He outlined the responsibilities such an authority must address, including gravesite management, public health standards, record keeping, dispute resolution, and disinterment procedures, stressing that strong record keeping was critical despite common government failures in this area, which he illustrated through a personal experience at a county cemetery. He clarified that financial integrity requirements were minimal for homestead cemeteries because plots would not be sold and no trust funds or deposits would be handled. Overall, he emphasized that establishing a cemetery required clear policies, procedures, and capacity within the homestead organization .

Chair Watson raised concerns about the importance of accessible and reliable record keeping for cemeteries and asked how records would be managed without placing that responsibility on the Department. M. Hodson explained that his team had visited many cemeteries nationwide and reviewed modern, online-based record-keeping systems, noting that failures such as outdated county records were due to lack of dedicated personnel. He stated that the beneficiary organization would take full responsibility for maintaining and updating cemetery records, including staffing, and clarified that this would not be the kuleana of the Department. Chair Watson then emphasized that the framework being developed should not apply only to Waimea Nui but should also be usable by other homestead associations statewide. Hudson agreed and explained that his investigation was intended to benefit all Hawaiian Home Lands communities by creating a clear, replicable path forward for future homestead cemeteries.

M. Hodson went on to describe the need for a single land instrument and stated that, after extensive discussions with staff, a license was identified as the appropriate mechanism to allow a homestead organization to manage, construct, operate, and maintain a cemetery. He explained that a separate nonprofit entity, Kulaiwi O Holoholoku Cemetery Authority, had already been established to carry out these responsibilities. He described the cultural significance of the site, noting that the area near Holoholoku contained numerous caves with ancestral iwi, which informed both the naming of the cemetery authority and the appropriateness of the location. M. Hodson then identified the broader 161-acre parcel, within which the

cemetery would be prioritized, and explained that infrastructure improvements—including paved roads, water, utilities, and agricultural water—were already fully funded and expected to be completed by the end of the year.

He concluded by presenting the conceptual plan for the cemetery, which included burial sites, a chapel hall, urn storage facilities, and maintenance areas, as well as potential future components such as a morgue and crematory. He explained that while the cemetery itself was not intended to be profitable, these additional facilities could support operational sustainability and provide services currently lacking on the island, particularly morgue capacity. Hudson emphasized that the cemetery was the community's top priority by a wide margin and that the planning work reflected both cultural responsibility to kupuna and long-term community needs.

DISCUSSION

Commissioner Lasua asked about the operation of cemeteries on Moloka'i, noting that while the county currently manages some, the land is still under the Department of Hawaiian Home Lands (DHHL). M. Hodson explained that his investigation included visiting multiple cemeteries on Moloka'i, including one run by the county since the late 1800s, predating the Hawaiian Homes Commission Act. He clarified that those lands were originally federal county lands, later ceded to the state, and eventually managed by the county. M. Hudson also discussed a cemetery maintained voluntarily by Richard Cabanting, who provided care and water infrastructure for the site without ongoing departmental support. He noted that since statehood, the DHHL had never issued a cemetery, though some pre-statehood cemeteries exist, and that many families were buried on private family lands rather than in public cemeteries.

Commissioner Lasua raised questions about plot reservations, which Hodson explained are rare, with most family members interred on their own lands rather than DHHL cemeteries. Chair Watson then asked how burial eligibility would be determined in DHHL cemeteries. M. Hodson responded that the process was complex and emotionally sensitive, noting disputes could arise over who could be buried, headstone types, maintenance responsibilities, and eligibility of non-Hawaiian spouses or Hawaiians from outside the district. He explained that the cemetery division had drafted rules and regulations to address these issues, but these rules required approval by the homestead membership before finalization. Once approved, the rules and reasoning would be presented to Land Management and the Hawaiian Homes Commission for review, though the process had been ongoing for about ten years and remained incomplete.

Commissioner Freitas commented on the importance of the cemetery project, emphasizing that death often arrives unexpectedly, bringing emotional and financial stress, and praised the opportunity for beneficiaries to be buried in a special place with family. He acknowledged that dispute resolution would be case-specific and complex but trusted the cemetery authority's capacity to manage these issues. He inquired about financial mechanisms to sustain the cemetery in perpetuity, how staff would be trained to meet state standards and adapt to future regulatory changes, and what support the department might need to provide.

M. Hodson responded by explaining that the cemetery authority would mirror Department of Health regulations while also incorporating additional rules he deemed necessary. He clarified that Hawaiian Home Lands operates independently from state authority and would create its own rules and regulations, updating them as needed if state standards changed. On economics, Self-sufficiency as a priority, noting that cemeteries must be financially sustainable to operate without charging high fees, which many families could not afford. He highlighted that the Kūlia i Ka Nu'u program builds community development corporations to generate economic engines, such as morgues, crematories, and other revenue sources, to fund and maintain community facilities. M. Hodson also discussed the importance of leveraging federal, state, and county resources, including ceded lands revenue, to support projects, stressing that funding is critical for sustaining operations, infrastructure, and community services.

Commissioner Kalepa raised a concern about cemetery maintenance, citing Nanakuli homesteaders who reported that their grave sites were not being properly maintained, and noted that on Molokai, family members were handling all upkeep. He suggested that a practical solution would be to fund positions or hire a

maintenance company to ensure cemetery are properly cared for and asked if this could become a problem in the future.

M. Hodson also described how Waimea Nui homestead operates communally, providing equipment and labor for burials at no cost to families aside from the coffin. Commissioner Namu'o noted that while the Commission sets the legal rules and regulations, decisions regarding care for those buried would rest with the homestead. She stressed the importance of having a designated source of funding to maintain the cemetery, which Hodson confirmed was part of their planning as they worked with land management and sought a license for a cemetery authority. Hudson clarified that the commission's role would be to designate the land as a cemetery, while the operational responsibilities would remain with the licensed cemetery authority. Chair Watson emphasized the importance of achieving consistency across the state, particularly in record-keeping, and acknowledged that the department would need to be involved in ensuring proper processes. He thanked Mike and the team for their presentation and looked forward to receiving more information on the challenging project.

MOTION/ACTION

Moved by Commissioner Marfil, seconded by Commissioner Freitas, to convene in an executive session pursuant to Section 92-5(a)(4), HRS, to consult with its attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities. Motion carried unanimously.

EXECUTIVE SESSION IN

12:30 PM

The Commission convened 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 matter:

1. Update on Richard Nelson, III et al., v. Hawaiian Homes Commission et al., Civil No. 1 07-1-1663

EXECUTIVE SESSION OUT

12:45 PM

The Commission reconvened its executive session and reported that it met with its counsel to discuss issues related to its powers, duties, privileges, immunities, and liabilities concerning an amendment to general lease number 281.

ANNOUNCEMENTS AND RECESS

Chair Watson reconvened the commission from executive session, noting that they had reviewed and discussed their powers, duties, privileges, immunities, and liabilities regarding the Richard Nelson case. He announced the conclusion of the day's agenda, thanked participants for their patience, and reminded them that tomorrow's meeting would start at 9:30 a.m. with public testimony followed by the J Agenda, convened by Commissioner Kaneakua. He also noted that several Commissioners would attend the 2026 legislative opening and then recessed the meeting for the day.

RECESS

12:45 PM

HAWAIIAN HOMES COMMISSION

Minutes of Wednesday, January 21, at 9:30 a.m.
Hale Pono'i, 91-5420 Kapolei Parkway, Kapolei, Oahu, 96707,
and Interactive Conferencing Technology (ICT) Zoom

PRESENT Walter Kaneakua, O'ahu Commissioner, Chair pro tem
Pauline N. Namu'o, O'ahu Commissioner
Lawrence Lasua, Moloka'i Commissioner
Sanoë Marfil, O'ahu Commissioner (ICT)
Archie Kalepa, Maui Commissioner (ICT)

EXCUSED Kali Watson, Chairperson
Shaylyn Ornellas, Kauai Commissioner
Michael L. Kaleikini, East Hawai'i Commissioner
Makai Freitas, West Hawai'i Commissioner

COUNSEL Hokulei Lindsey, Deputy Attorney General

STAFF Richard Hoke, Executive Assistant to the Chairperson
Leah Burrows-Nuuanu, Secretary to the Commission
Juan Garcia, Homestead Services Division Administrator
Frank Hall, Land Management Division Administrator
Linda Chinn, Land Management Division Special Projects
Kalani Fronza, Land Development Division Acting Administrator
Kehaulani Quartero, LDD Homestead Land Development Specialist V
Ruby Nuesca, Office Assistant to the Commission

ORDER OF BUSINESS

CALL TO ORDER

The meeting was called to order at 9:31 am by Commissioner Kaneakua, acting as Chair pro tem. Five (5) members were present in person, two (2) on Zoom, and four (4) excused, establishing a quorum.

Commissioner Kaneakua noted that Chair Watson and other excused Commissioners were at the Capitol, representing beneficiaries during the legislative opening. The day's session would begin with public testimony followed by the J Agenda, with a recess for lunch at noon. He requested that speakers be concise, limiting remarks to 10 minutes, to ensure all testimonies could be heard efficiently and the session remained productive.

NO PUBLIC TESTIMONY

REQUESTS TO ADDRESS THE COMMISSION

J-1 Tammy Chung - Successorship Issue

T. Chung spoke on behalf of her husband, George Chung Jr., regarding Lot 159 in Princess Kahanu Estates. They had previously appeared before the Commission and were informed by HSD Administrator Juan Garcia that they had received misinformation from a staff member, but he offered to assist in finding a resolution. They had since provided all requested documentation to the supervisor, yet had received no updates or communication, leaving them unclear about who was handling their case and causing prolonged uncertainty. Prior delays had resulted in their household of six losing water service for two weeks, illustrating the real impact of communication breakdowns. She emphasized that the unresolved matter had prevented them from refinancing their home and completing necessary repairs, and requested that the case be reviewed to identify

where it had stalled, ensure progress with oversight, define timelines, and ensure consistent communication. She expressed a preference for a collaborative, informal resolution rather than a formal hearing.

J. Garcia noted that the matter had first come before the Commission in August 2025, following the death of lessee George Chung Sr. without a valid designation. Upon receiving the death certificates for both the lessee and the designated successor, the department was required to publish a public notice. George Jr. and his brother both filed claims and were considered co-lessees with equal shares. He emphasized that any outstanding issues, such as financial obligations, were the responsibility of the co-lessees and suggested that a contested case hearing could be used for the petitioner to present claims and propose a resolution. Discussion also focused on resolving the marital situation, as one spouse already held a lease, which needed clarification before proceeding further. The department planned to continue working with the family, including coordinating with staff such as K. Kapeliela, to clarify responsibilities, review options, and advance the succession, with the possibility of a contested case if necessary.

J-2 Bo Kahui – La’i ‘Opua Community Development Corporation

B. Kahui commended the department for completing the Holualoa Gianulias water development after nearly 13 years of advocacy to support housing and community needs, noting that the CDC had raised approximately \$12.5 million in 2019 through CIP (Capital Improvement Project) legislation sponsored by Senator Dru Kanuha that was now earmarked for the project. He reported that the CDC’s preschool ROE was approved in November 2024, that an anticipated \$8 million funding commitment was later transferred to the State Facilities Authority and became unavailable, and that efforts to obtain updates had been unsuccessful, prompting a request for departmental support through a \$6.9 million CIP request for civil engineering, design, and initial construction. He emphasized the CDC’s strong track record in securing funds and completing major community facilities, the availability of full infrastructure stub-outs for the preschool site, and the ability to match funds. The project, designed with Architects Hawai’i, would serve three- and four-year-olds with potential inclusion of two-year-olds under new legislation, and he requested inclusion on a future Commission agenda as CIP deadlines approached, stating that a CIP packet would be submitted and legislative advocacy would continue.

Commissioner Kaneakua thanked B. Kahui for his active role in self-governance, acknowledging that his advocacy was matched by concrete action, strong leadership, and solution-oriented requests for assistance. He noted that the Chairperson and several Commissioners were currently at the Legislature, that Chair Watson had taken staff the previous week to meet with the Ways and Means Committee, and emphasized that the commission’s ongoing advocacy efforts were strengthened by community leaders who actively engaged the Legislature to secure funding for critical initiatives benefiting the Hawaiian Homes community.

B. Kahui introduced Diana Kama as the next testifier, explaining that the La’i ‘Opua Community Development Corporation had been supporting her, following her husband’s passing in the village and was assisting her as an advocate, with a board member also present to provide testimony.

J-3 Diana Kama – Status of Contested Case Hearing Request

D. Kama requested an update on her contested case hearing request related to Lot 47 under junior lease number 10705, which she filed on June 17, 2025, noting that her husband had passed away about one year and five months earlier.

Commissioner Kaneakua responded that the contested case request was in progress, explained that the Commission could not deliberate on contested cases without a quorum, and stated that staff would follow up with her directly later that day to provide a status update.

Public Testimony - Charlene Kahumoku – She explained that in 2024, Diana’s husband, Rupert Kama, informed her that his stage-four cancer had returned and asked her to help Diana ensure his DHHL

succession was honored. She stated that R. Kama confirmed his DHHL paperwork, naming D. Kama as successor to Lot 47 in Village Three. And that their divorce resulted only from financial and medical hardship, and that D. Kama had continuously lived in the home since they moved in together. She testified that R. Kama, who had waited more than 40 years for his lease and was battling cancer at the time of the award, expressed that his final wish was for D. Kama to remain the beneficiary and successor to their home.

Commissioner Kaneakua thanked both testifiers for their participation.

J-4 Sybil Lopez on behalf of Kainoa MacDonald – Association of Hawaiians for Homestead Lands and SCHHA

S. Lopez participated in the 2025 National Renewable Energy Laboratory Geothermal Exchange Program, during which she traveled from Hawai‘i to Aotearoa and engaged in cultural, spiritual, and technical learning with Māori communities to better understand geothermal resources and their application to DHHL lands, particularly in light of pending geothermal legislation. She described visiting living geothermal villages, marae, power plants, and Iwi-owned enterprises, observing how geothermal energy supported daily life, electricity generation, agriculture, tourism, education, and fully Iwi-owned economic development through binary and flash steam systems, cascading heat uses, and mineral recovery. She emphasized the importance of people-centered development, cultural protocols, and long-term, generational planning, noting parallels to Hawaiian practices and values. She concluded by introducing the Mokupuni Community Development Corporation as a vehicle for self-determination, economic development, and resilience for Moloka‘i beneficiaries, modeled after successful CDC efforts, and stated that the work was just beginning as they engaged homestead associations to understand how geothermal resources could responsibly benefit their communities.

Commissioner Kaneakua thanked S. Lopez for her presentation, noting that it effectively highlighted the work of Māori communities in Aotearoa and its direct relevance to Hawaiian Homes, particularly in advancing self-determination and sustainable community resources. He praised the thoroughness and depth of her presentation, which provided valuable insights into geothermal initiatives and other community development efforts. He encouraged those unable to attend to view the archived recording and expressed gratitude for her dedication, travel, and the knowledge she shared.

S. Lopez noted that she presented her geothermal work at the Indigenous Geothermal Conference in Reno, Nevada, and mentioned that the SCHHA Moloka‘i Mokupuni meeting was scheduled that evening, and hoped Commissioner Lasua could attend future meetings to share updates, concluding with gratitude for the opportunity to present.

J-6 Jojo Tanimoto – Various Concerns for Kawaihae Homesteads

J. Tanimoto reported on events and ongoing concerns in Kawaihae, highlighting several issues affecting beneficiaries and community resources. She questioned the benefits beneficiaries would receive from the geothermal project, noting that while the general public might benefit, her community was excluded from priorities, funding, and communication, making it difficult to address local issues. She also proposed establishing a gravel pit for community use, citing past instances in which excavation materials were taken for other projects without benefiting the community, and emphasized the need for access to land for evacuation planning and resource management. She also raised concerns about inconsistent environmental and archeological requirements for projects, citing Firewise bulldozing versus waterline construction, and praised Commissioner Freitas for including the community in discussions on new leasing properties.

She also discussed the Hawaii Island plan, noting that while two community meetings had occurred, important historic and burial sites in Kawaihae were not being formally designated or protected in the plan. She expressed frustration that beneficiaries lacked access to properties to provide informed comments and highlighted ongoing erosion, lack of watershed, and damage to roads and bridges, suggesting the need for bypass roads and watershed restoration. She requested that the commission defer approval of the Hawaii

Island plan so the community could conduct site visits, contribute to environmental restoration, and ensure the plan reflected both community input and generational needs before implementation.

J-7 James Maioho for De Mont Manaole – Various Concerns for Wai’anae Homesteads

J. Maioho testified as a representative of Kia’i Iwi Alakai, addressing the commission on behalf of indigent and unhoused Native Hawaiian beneficiaries. He acknowledged the approval of the Indigent Native Hawaiian Homesteading Pilot Project and emphasized that DHHL already has the legal authority to authorize temporary use, stewardship, and pilot programs but lacks a beneficiary-centered emergency homesteading pathway. Many beneficiaries are currently unsheltered, living in cars, tents, or overcrowded homes, and called for parallel tracks that prioritize both long-term development and immediate emergency and transitional homesteading.

He also strongly cautioned against pursuing geothermal exploration on Hawaiian homelands, arguing that industrializing these genealogically, spiritually, and culturally significant trust lands misaligned with DHHL’s mission, and that the focus should instead be on placing beneficiaries on land, restoring kuleana, stabilizing families, and protecting trust lands. He outlined plans to develop a site-based emergency homesteading pilot program and noted that the commission could immediately leverage existing powers without new legislation or funding. He also indicated that a full proposal, including a two- to three-year pilot program in West O’ahu and recalibrated success metrics focused on actual placement of beneficiaries, would be formally presented at the February meeting, and he offered to answer questions in the interim.

Public Testimony – Kapua Keliikoa-Kamai – Expressed concerns about the Department’s focus on acquiring new lands instead of advancing previously approved projects that could have housed beneficiaries sooner. She criticized bypassing projects such as those in Ma’ili, which had already undergone beneficiary consultation and planning, emphasizing that the primary goal of Act 279 was to get people into homes as quickly as possible. She noted that acquiring new lands would take decades to develop, even with funding, and stressed the importance of ensuring that homes, including high-tech homes, are reserved exclusively for beneficiaries and that Hawaiian blood-quantum standards are maintained. She also highlighted the need for proper beneficiary consultation, particularly regarding geothermal projects in Waianae Lualualei Valley, and urged DHHL to prioritize serving Hawaiian beneficiaries, protecting future generations, and ensuring that homes remain within Hawaiian families.

J-5 Kekoa Enomoto - Pa’upena Community Development Corporation

K. Enomoto testified about her 2026 focus on a beneficiary-driven homestead development at the 5,000-acre Waiohuli Māakai tract, aiming to place 1,200 beneficiaries on the land by January 22, 2031, addressing the critical need caused by high Maui rental costs and 9,000 wait listers. After retiring in 2011, she committed to homelands advocacy in 2012 and co-founded Pa’upena CDC in 2016. She described successfully repatriating 5,500 acres from non-Hawaiian long-term leases over three years and emphasized that securing access for beneficiaries to these lands remained critical. She detailed plans to place 1,200 wait listers on one-acre residential regenerative farm lots and 120 on five-acre pastoral parcels, resubmit a 2016 land use request to DHHL’s Land Management Division, incorporate the Waiohuli Makai Homelands Advocacy Group into a Homestead Association, seek legislative support from Senator Troy Hashimoto, and obtain Commission approval for right of entry and license to the tract, all in pursuit of awarding 1,200 homestead lots by 2031.

Comm. Kaneakua thanked K. Enomoto for her consistent advocacy for her homestead and for Maui, encouraged everyone to focus on their “one thing,” and wished everyone a happy new year.

ANNOUNCEMENTS AND ADJOURNMENT

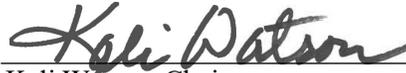
Commissioner Kaneakua concluded the meeting by thanking all participants and testifiers for supporting their causes and providing testimony. He announced that the next regular Hawaiian Homes Commission

meeting would be held on February 17 and 18, 2026, a Tuesday and Wednesday, at Hale Pono‘i, 91-5420 Kapolei Parkway, Kapolei, O‘ahu. He also thanked the Commissioners present and extended blessings to those at the Legislature that day as well as staff. He then directed the public to the website for the 2026 meeting schedule and updates on awards, projects, etc. And in closing, officially adjourned.

ADJOURNMENT

11:00 AM

Respectfully submitted:



Kali Watson, Chairman
Hawaiian Homes Commission

Prepared by:



Leah Burrows-Nuuanu, Commission Secretary
Hawaiian Homes Commission

Approved on: February 17, 2026

Attachments:

- 1) Public Testimony Dennis Neves Item G-1
- 2) Slide Presentation Item C-1
- 3) Slide Presentation Item E-7
- 4) Slide Presentation Item G-1
- 5) Slide Presentation Item G-3

From: [Dennis Neves](#)
To: [Michael Kaleikini](#); [archie](#); [sanoemarfil](#); [Pauline Namuo](#); [lawrencelasua0](#); [Walt Kaneakua - HHC](#); [makaifreitas](#); [kehau.dhl@gmail.com](#)
Cc: [Lindsey Hokulei](#); [Burrows-Nuuanu, Leatrice W](#); [Makaila, Lilliane K](#)
Subject: [EXTERNAL] HHC Meeting Item G-1 in opposition.
Date: Monday, February 16, 2026 6:09:51 PM

Commissioners,

I hope this email finds you well. I have attached my opposition to the action taken by the commission that directly conflicts with the Beneficiary Consultation that was conducted by the Planning Department on the above matter. The Pilina Based Priority Waitlist was advertised for **Kuleana projects only!** The specific Kuleana project areas were indicated on the handouts.

The commission's proposed rule amendment conflicts with what was presented at the various Beneficiary Consultations meetings.

The Beneficiary Consultation process allows beneficiaries to engage in meaningful dialog on important matters as presented.

The commissions action in this case has silenced their voices.

The commission has a fiduciary responsibility to uphold the results of what was actually presented at the Beneficiary Consultations. I implore you to stand for the people you represent and correct this action.

Respectfully,

Dennis Neves

Planning Staff,

Amendments to the Hawaii Administrative rules for the Pilina-Based Priority Waitlist directly conflict with the actual Beneficiary Consultation conducted by the Planning department from March thru June of 2025.

At the September Commission meeting Item G1 was presented to the commission to Accept the Beneficiary Consultation Report on Proposed Amendments to Hawai'i Administrative Rules relating to Pilina-Based Priority and Lessee Leave of Absence.

The commission removed the term "Kuleana." This action allows the Pilina process be

applied to *all leases*. This change affects all of the 29,000+ on the waitlists.

This action is in conflict with the beneficiary consultation which clearly indicated the Pilina Priority Waitlist applied to **Kuleana Awards ONLY!**

This is a formal request to conduct a new Beneficiary Consultation on all islands and include all waitlists applicants.

Dennis L Neves



HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION · DEPARTMENT OF HAWAIIAN HOME LANDS

Presentation on the 2026-2027 Native Hawaiian Housing Block Grant Annual Housing Plan

HHC Submittal Item C-1

February 17, 2026

East Kapolei II

EKIIC Development

EKII Electric Pre-Service



2026 CIP

Ewa Beach Homestead Project



Developer Financing

La'i 'Ōpua

30 Single Family Homes

Letter of Commitment for
\$2,400,000



Homeowner Financing & DPA/Closing Costs



\$5,257,006 of \$27,069,584 in loans for 9 of 45 families in Pu'u'hona, Maui

Homeowner Financing & DPA/Closing Costs



\$25,897,000 of \$31,402,000 in loans for 43 of 52 families in Ka'uluokaha'i, O'ahu

Home Assistance Program

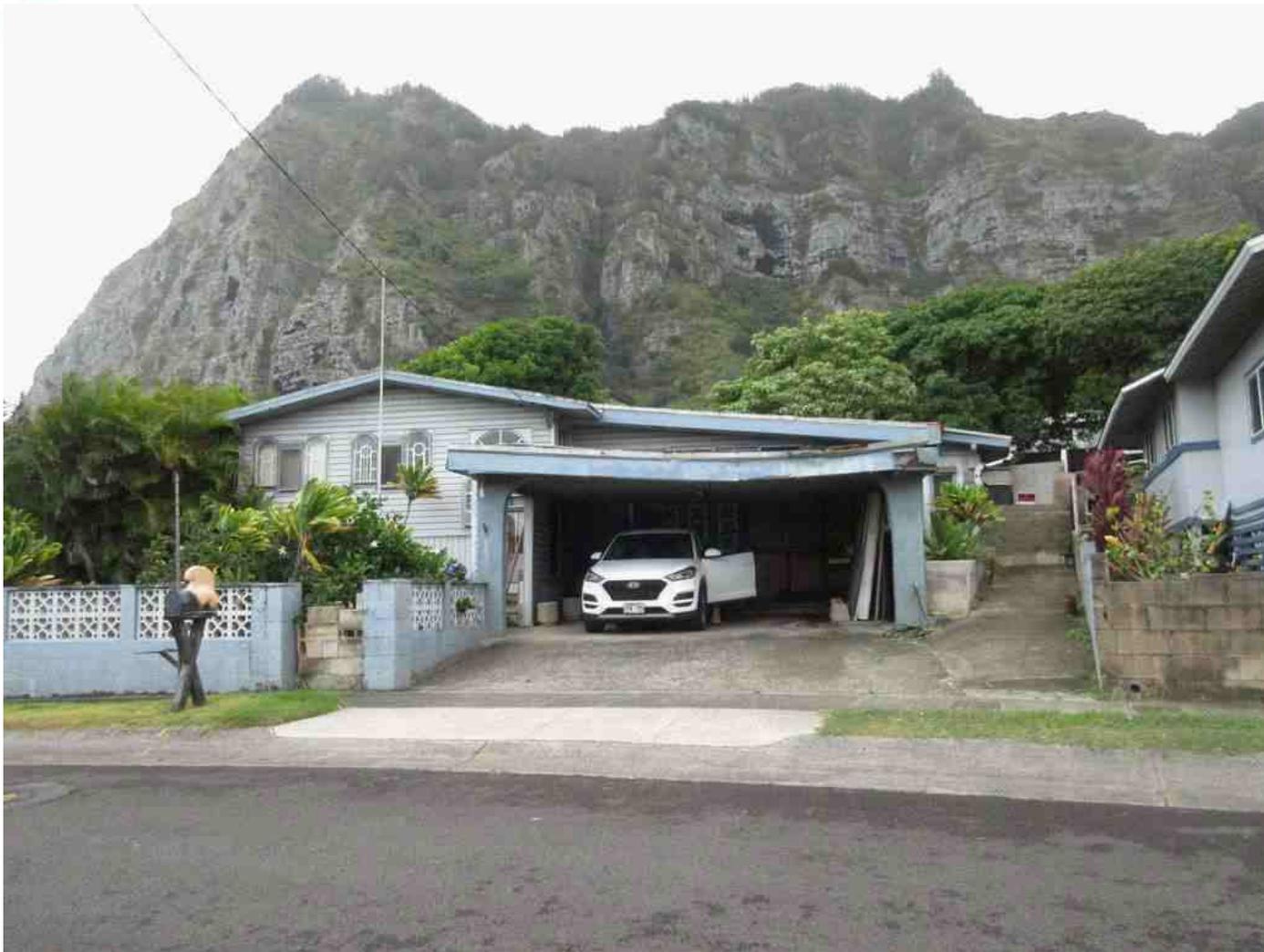
BEFORE



AFTER



Home Assistance Program



BEFORE



AFTER



Waimanalo Kupuna Housing Rental Assistance

Waimānalo Kupuna Housing Project

- Annual subsidy of \$871,500
- Monthly subsidy ranging from \$300 to \$1424/month



Kupuna Rental Subsidy Program

Submitted Applications	Households Assisted	Approval Rate %	Average Amount Disbursed	Average Months Awarded	Total Amount Disbursed
657	142	22.29%	\$31,084.31	18.8	\$2,270,023.39



Rental Vouchers for Units Dev. for DHHL

La'i 'Ōpua

Single Family Homes



Housing Counseling

Housing Counseling

Statewide

- Partnership with Hawaiian Council
- Independent, expert advice customized to the household



Homeowner Assistance

Homeowner Assistance

Statewide

- Partnership with Hawaii Community Lending



Existing Potable Water Infrastructure Improvements

Water Infrastructure Improvements

Ho'olehua, Moloka'i

- Improvements underway
- Address deficiencies



Housing Conversion

Ulu Ke Kukui

Maili, O'ahu

- Renovation of a multi-family residential housing



SINGLE-FAMILY MODULAR CONSTRUCTED UNITS

COMPARISON

3 BEDROOM, 2 BATHROOM

TRADITIONAL

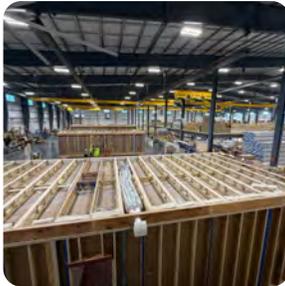
\$550,000 - \$610,000



AREA: 1,110 SF
\$496/SF - \$550/SF

MODULAR

\$336,000 (out of factory)



AREA: 1,600 SF
\$210/SF
Above price is *excluding* site work

TOTAL COST: \$610,000
Including site work
\$550/SF

TOTAL COST: ~\$436,000
Including site work
~\$273/SF

Operation & Maintenance

Hale o Kumumamo

Kalaelo, O'ahu

- Temporary transitional housing for homeless beneficiaries on DHHL's wait list





Model Activities

Various Projects

Statewide

- Housing activities under model programs for low-income families that are specifically approved by the HUD Secretary
- Child or adult day care centers
- Community buildings
- Job training centers
- Agricultural resource centers or food hubs

Mahalo



DEPARTMENT OF HAWAIIAN HOME LANDS

www.dhhl.hawaii.gov

Act 279 Working Group Annual Report



*HHL Commission Meeting
February 17-18, 2026*



E-7 Act 279 Annual Report (eff. January 21, 2026)

Executive Summary

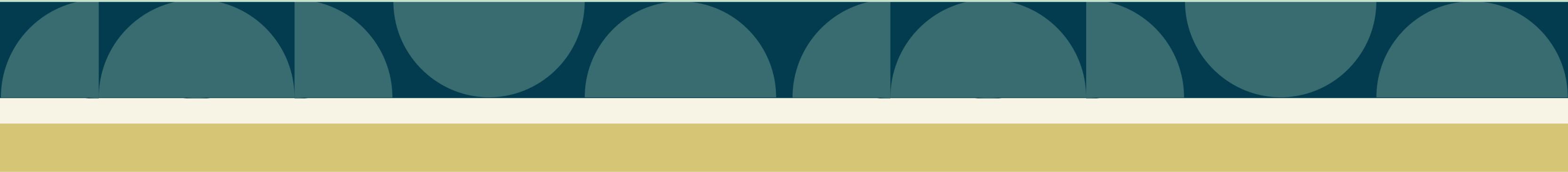
Key Activities and Trends

Innovative Funding, Acquisition, & Leverage Strategies

Performance Outcomes



Executive Summary



Location/Site		Project	Cost	Total Leases	Total Lots	Construction (FY)		Occupancy (FY)	
						Start	End	Start	End
		28	\$ 600,000,000	5,792	2,103				
Hawaii County	Sub-Total	6	\$52M	1,684	280				
	Lai 'Ōpua Villages	Residential Subdivision	\$39.2M	580	280	2022	2028	2026	2028
	Honomu	Subsistence Agricultural Lots		40	0	2025	2026	2028	2028
	Kaumana	Land Acquisition	\$2.0M	168	n/a	2026	2030	2030	2030
	Honokaa	Land Acquisition	\$8.8M	n/a	n/a	2026	2031	n/a	n/a
		Residential Subdivision	\$1.3M	200	0	2026	2031	2029	2031
	Panaewa	Residential Lots	\$1.0M	600	0	2026	2031	2031	2031
Maui County	Sub-Total	12	\$297.6M	1,514	1,139				
	Lāna'i	Residence Lots	\$2.0M	75	0	2026	2028	2028	2028
	Hoolehua	Scattered Agricultural Lots	\$3.5M	20	20	2025	2027	2027	2027
	Nā'iwa	Agricultural Lots	\$6.0M	16	16	2025	2027	2027	2027
	Pu'uhona	Water Tank	\$5.5M	n/a	n/a	2023	2026	n/a	n/a
		Residential Subdivision	\$17.2M	161	161	2023	2026	2025	2026
	Honokōwai	Subsistence Agricultural Lots	\$1.5M	50	0	2025	2027	2027	2027
	Leialī	Offsite Water Development	\$15.0M	n/a	n/a	2024	2026	n/a	n/a
		Residential Subdivision	\$68.0M	181	181	2025	2029	2027	2029
	Wailuku	Residential Subdivision	\$39.5M	207	207	2026	2031	2029	2031
	Waiehu Mauka	Residential Subdivision	\$93.9M	404	404	2027	2032	2030	2032
	Kamalani	Land Acquisition	\$10.5M	n/a	n/a	2024	2025	n/a	n/a
Residential Subdivision		\$35.1M	400	150	2026	2031	2029	2031	
City and County of Honolulu	Sub-Total	5	\$169M	1,190	380				
	Kaue'a	Acquisition	\$8.3M	n/a	n/a	2024	2025	n/a	n/a
	Kaue'a	Residential Subdivision	\$13.7M	60	0	2026	2030	2028	2030
	East Kapolei	Mixed-Use Subdivision	\$1.0M	350	0	2026	2031	2026	2031
	East Kapolei	Residential Subdivision	\$143.2M	700	380	2026	2031	2029	2031
	Maunaloa	Land Acquisition & Multifamily Units	\$2.5M	80	0	2026	2027	2027	2027
Kauai County	Sub-Total	4	\$43.5M	1,297	197				
	Hanalei	Residential Subdivision	\$17.8M	82	82	2022	2027	2026	2027
	Anahola	Agricultural Lots	\$5.0M	115	115	2025	2027	2027	2027
	Līhu'e	Land Acquisition	\$20.7M	n/a	n/a	2024	2025	n/a	n/a
Residential Subdivision		\$0.0M	1,100	0	2026	2035	2029	2035	
Other	Sub-Total	1	\$38M	107	107				
	Scattered Lots	Residential Subdivision	\$2.0M	107	107	2024	2026	2025	2026
	Other	Residential Subdivision	\$36.0M	107	107	2024	2026	2025	2026

Breakdown of \$600M Encumbered

- Infrastructure: \$511.2M
- Acquisition: \$52.8M (new acreage: 555.94ac)
- Financing & Beneficiary Services: \$36M
- Encumbered as of 12/31/25: \$600M

DHHL COMMISSION APPROVED BUDGET

Spent as of 12/31/2025

- \$120M

The Affordable Housing Gap in Hawaii

- Hawaii is the only state where the average mortgage costs more than 50% of the median income.
- Native Hawaiian households face disproportionately lower income level.
- Homeownership is unattainable for many due to high material, labor, and borrowing costs.

Native Hawaiians have the lowest average income of any ethnic group in Hawaii. (Larger bubbles for larger populations.)



The Situation has worsened since 2019

- Building on Hawaii has always been more expensive
- Material costs have increased significantly in the past five years
- High borrowing costs make homeownership and construction more expensive
- State and federal regulations add additional costs

Combined, project costs in 2025 are double compared to 5 years ago





Key Activities and Trends

New Approach



- Transforming Development to Better Serve Our Beneficiaries

Options & Opportunities



Rent With Option to Purchase



Turnkey Homes



Self-Help Housing



Owner-Builder Lot

Housing Options
Creating Pathways of Choice
for Our Beneficiaries

Process



1. DHHL **acquires** the land



2. DHHL builds **Site Infrastructure**



3. Private Developer **builds housing**



4. DHHL Beneficiary **pays for house, land lease at \$1/year**

‘Ōlelo No‘eau: “A ‘ohe hana nui ka alu ‘ia.”

No task is too big when done together.

Meaning: United we stand, divided we fall.

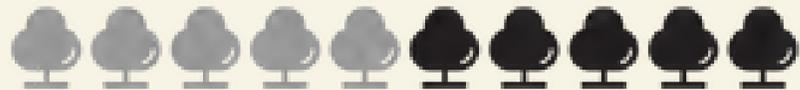


Innovative Funding, Acquisitions, & Leverage Strategies

Acquisition Alternatives

EXCHANGE OF STATE LANDS

50k acres



EXCHANGE OF COUNTIES LANDS

250 acres



MONETIZING AFFORDABLE HOUSING CREDITS

2,300

EXCHANGE OF FEDERAL LANDS

1,040 acres



Instead of spending limited funds to purchase land with existing infrastructure, we are exploring smarter acquisition alternatives that place beneficiaries closer to schools, health facilities, and essential services. By exchanging parcels with counties and state agencies—including leveraging Act 14 to bring whole the acreage still owed to DHHL—we can reposition our inventory to serve our people better, pursue federal surplus lands, and even monetize our 2,300 affordable housing credits to acquire private lands. This approach allows us to build capacity without depleting funding, while stewarding our trust assets with strategy and purpose.



These strategies diversify DHHL's future land base and ensure sustainable long term development.

Innovative Funding

June 2025

- USDOT – Regional Infrastructure Accelerator Program
- \$2M for East Kapolei

September 2025

- USDA – Rural and Tribal Assistance Pilot Program
- \$2.5M for Maui projects
- \$2.5M for East Kapolei TOD

September 2025

- USDA – Water and Environmental Program Application
- \$5M for Moloka'i water

October 2025

- USDOT – Innovative Finance & Asset Concession Grant Program
- \$2M for East Kapolei

DHHL's funding strategy uses a mix of public and private -sector mechanisms to amplify every dollar —leveraging federal grants as accelerators and maximizing the GET exemption to stretch resources.

Through this strategic approach, we achieved an impressive \$6 million in savings in FY2025, followed by a projected \$9 million in savings in FY2026.

Combined with the County of Maui's \$90 million GET Set -Aside through 2030 for housing infrastructure and homestead development, this forward -looking model demonstrates how innovative financial stewardship can unlock transformative support for beneficiaries.

Innovative Funding

DHHL will also consider innovative partnerships with other county and state entities that could expedite development schedules for DHHL projects. An example could be upsizing an ongoing county off-site infrastructure project and sharing in the cost. Public private partnerships may also be considered, to the extent they do not violate any statute, regulation, or procurement code.



Partnerships multiply funding.

Multiplied funding accelerates homesteads.

Importance of Relationships



Pilina is the foundation that allows our partnerships with HCA, Helen Wai LLC, and the Hawai'i HomeOwnership Center to thrive, ensuring 7,000 beneficiaries receive trusted financial assessments, homebuyer education, and financial literacy that strengthen their path to housing.

Through Act 279, our investment in infrastructure unlocks more than \$2 billion in vertical development, as private developers bring the full capital stack needed to actually build homes

In parallel, the \$41 million revolving loan fund with Hawai'i Community Lending empowers beneficiaries on owner-built vacant lots to finance construction and turn opportunity into reality.

Partnerships with County and State Entities

- Purpose: expedite development schedules for DHHL projects
- Example:
 - shared infrastructure
 - upsizing an ongoing county off-site infrastructure project and sharing in the cost

Public and Private Partnerships

- Financial assessments, financial literacy, and homebuyer education
- Leverage compensation of access easements in return for shared Infrastructure with neighboring landowners and developers

Innovative Funding

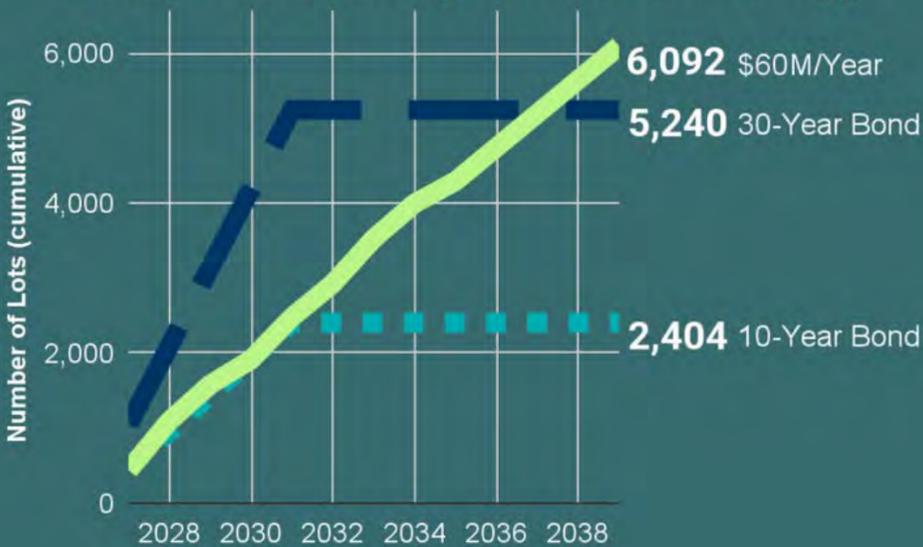
PROJECT PORTFOLIO BREAKDOWN

Project Name	Developer	FY	Units	DHHL LAND (\$175K/LOT)	TOTAL DEV COST	Leverage	LIHTC VALUE (FED + STATE)
MARK DEVELOPMENT (1 Project, 30 Units)							
Hanapepe Residence Lots - IIA	Hanapepe RLP 2 Ekahi, LLC	2024	30	\$5,250,000	\$29,271,150	5.58x	\$21,000,000
KALANIANA'OLE DEVELOPMENT (1 Project, 30 Units)							
Lai Opua V4 Hema RP	V4 Hema LP	2025	30	\$5,250,000	\$28,787,021	5.48x	\$20,939,625
PORTFOLIO TOTAL			60		\$58,058,171	5.53x	\$41,939,625

ANNUAL LIHTC AWARDS

Project Name	ANNUAL FEDERAL LIHTC	ANNUAL STATE LIHTC	10-YEAR FED CREDITS	5-YEAR STATE CREDITS	TOTAL LIHTC VALUE
Hanapepe Residence Lots - IIA (2024)	\$1,400,000	\$1,400,000	\$14,000,000	\$7,000,000	\$21,000,000
Lai Opua V4 Hema RP (2025)	\$1,395,975	\$1,395,975	\$13,959,750	\$6,979,875	\$20,939,625
TOTAL	\$2,795,975	\$2,795,975	\$27,959,750	\$13,979,875	\$41,939,625

Lots Produced by Finance Strategy



Bond Period:	10-Years	30-Years
Total Borrowed	\$505.3M	\$1,103.5M
Interest Rate:	3.25%	3.50%
Term (Years):	10	30
Annual Debt Service:	\$60M	\$60M
Annual Principal:	\$43.6M	\$21.4M
Annual Interest:	\$16.4M	\$38.6M
Total Payments	\$600.0M	\$1,800M
Interest Payments:	\$94.7M	\$696.5M
Principal Payments	\$505.3M	\$1,103.5M

DHHL considered a comprehensive range of financial options for Phase 2 Act 279 funding and deliver developed lots to beneficiaries, with a focus on balancing speed of development with long Departmental stability. - term

Recently, DHHL considered using annual state funding as a dedicated source for debt -service payments. This would provide a significant influx of funds for construction activities.

Analysis of Bonding and Debt Financing

To determine the optimal finance strategy, DHHL considered the Return on Investment (ROI) for general obligation bonds. The results favor a direct cash-based approach. The findings were:

- High Cost, Reduced Output:
 - 10-Year Financing: This option would yield 60% fewer lots (only 2,404 developed vs. 6,092 projected), making it financially unviable.
 - 30-Year Financing: This option would produce 15% fewer lots (5,240 developed vs. 6,092 projected) while simultaneously incurring long-term debt.
- Bonding would require DHHL to allocate significant funds towards interest and financing costs instead of directly investing that capital into site construction and infrastructure development.

Ultimately, the analysis demonstrated that while debt financing might offer an upfront capital injection, its long-term cost drastically reduces the total number of lots DHHL can deliver, making it a poor fit for maximizing the program's impact.

INNOVATIVE FUNDING

Revenue Bond Financing

501(C)(3) Bond Structure

**LIHTC Structuring &
Syndication**

**Braiding LIHTC, bonds,
CDFIs, & impact
investment**



Performance Outcomes

Lot Development Completed With the \$600M

Statewide Lot Development Projects Leases

County	2022 Leases	2024 HHC	2025 Completed
Hawai'i	440	1,684	408
Maui	572	1,514	1,212
Honolulu	1,520	1,790	725
Kauai	190	1,297	82
Scattered Lots Statewide	0	107	45
TOTAL	2,722	6,392	2,472

*\$600M encumbered by 12/31/2025. Currently \$120M expended.

PHASE 2

COUNTY

LOTS DEVELOPED (3,858)

NEW FUNDING (\$871M)

HAWAII RES: 1634 / HAWAII AG: 50

1,276

\$315M

MAUI RES: 1105 / MAUI AG: 298
MOLOKAI RES: 20 / MOLOKAI AG: 16 / LANAI RES: 75

302

\$182M

KAUAI RES: 1082 / KAUAI AG: 215

1,215

\$229M

OAHU RES: 1790

1,065

\$145M

Island / Project

Lots
Developed
(2,230)

Waitlist
(23,849/
8,257)

Hawaii RES/ LaiOpua

380

5991

Maui RES / Puuhona ,
Wailuku SF, Waiehu
Mauka, Kamalani, LeiAlii

1017

3947

Maui AG / Waiehu Mauka,
Honokowai

105

4813

Molokai RES / Hoolehua
Scattered

20

815

Molokai AG / Naiwa

16

1133

Kauai RES / Hanapepe

82

1726

Kauai AG / Anahola

50

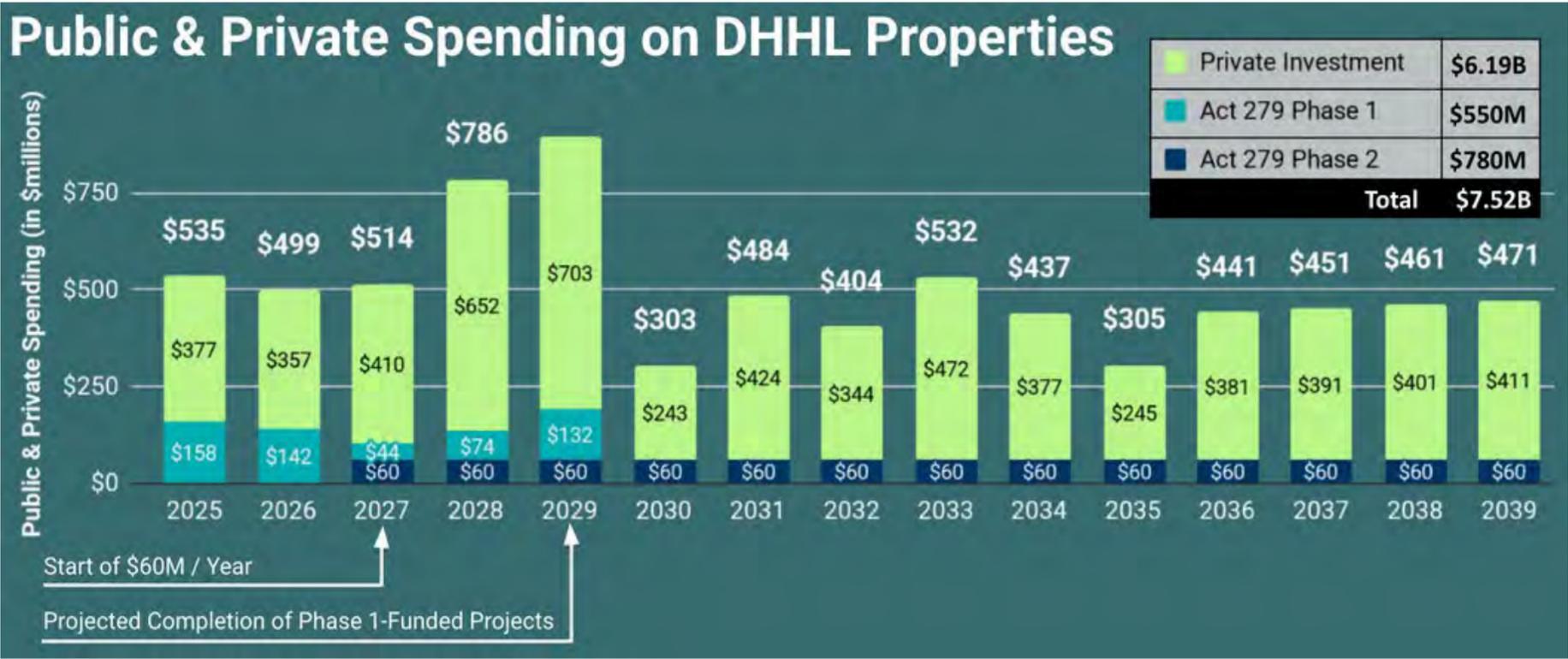
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Oahu RES / Kauluokahai

560

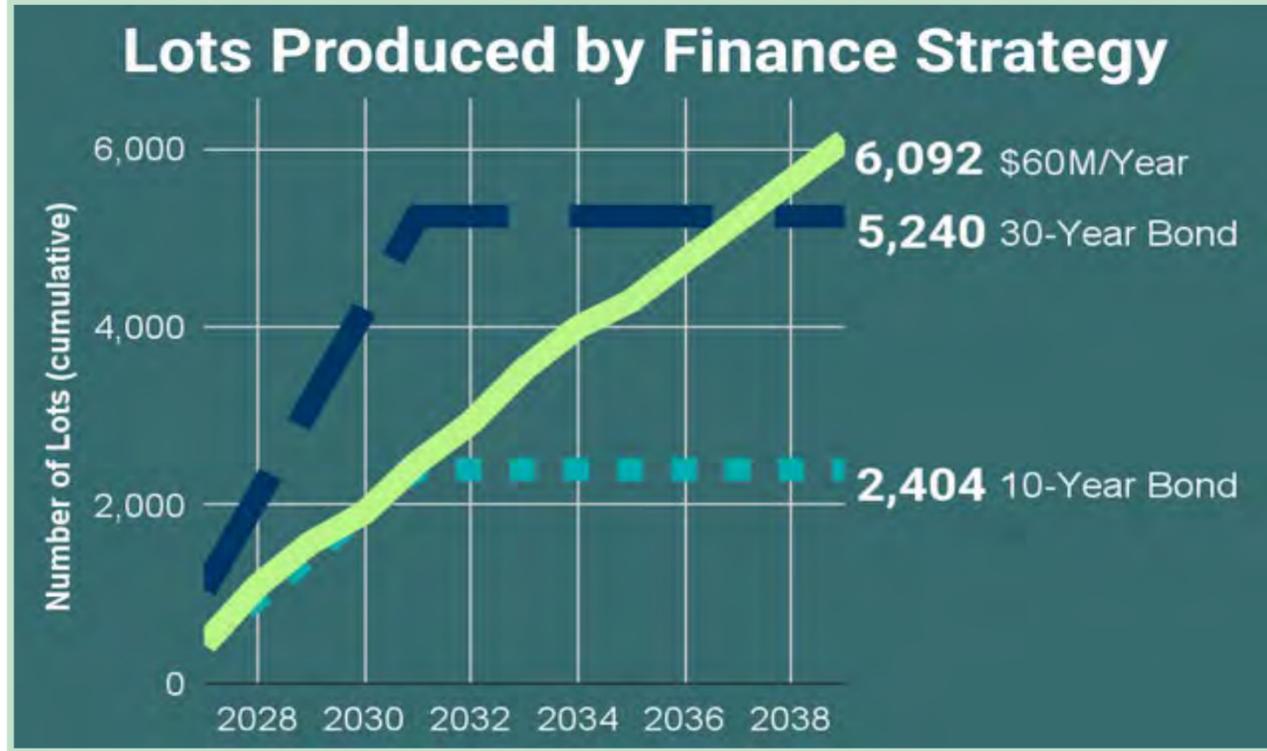
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Annual Appropriation will enable DHHL to deliver more lots and enable \$5.2B in Private Funding



•High Cost, Reduced Output:

- 10-Year Financing: This option would yield 60% fewer lots (only 2,404 developed vs. 6,092 projected), making it financially unviable.
- 30-Year Financing: This option would produce 15% fewer lots (5,240 developed vs. 6,092 projected) while simultaneously incurring long-term debt.



Phase 1: Infrastructure Development (2029 Completion)

Based on internal projections, DHHL will exhaust the initial \$600 million from Act 279, used for site infrastructure for approximately 2,100 lots, by 2029.

Housing Construction & Financial Model

Once site infrastructure is complete, private developers will build single - and multi - family units.

- Average Vertical Construction Cost: \$630,000* per unit
- Total Projected Private Development Cost: \$6.19 billion

Phase 2: Portfolio Completion (FY 2039 Projection)

With an additional \$60 million per year (starting in Fiscal Year 2027), DHHL expects to prepare site infrastructure for its entire portfolio, adding approximately 6,100 lots. All site infrastructure is projected to be complete by the end of Fiscal Year 2039.

* Calculations assume 2.5% annual inflation for years 2026 and beyond.

MAHALO PIHA!



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DEPARTMENT OF HAWAIIAN HOME LANDS
BENEFICIARY CONSULTATION

ITEM G-1

**Report of the Public Hearing for Administrative Rules
to Establish a Pilina-Based Priority Waitlist and
Adoption of Proposed Amendments Related to a Pilina-Based Priority**

February 2026



Agenda

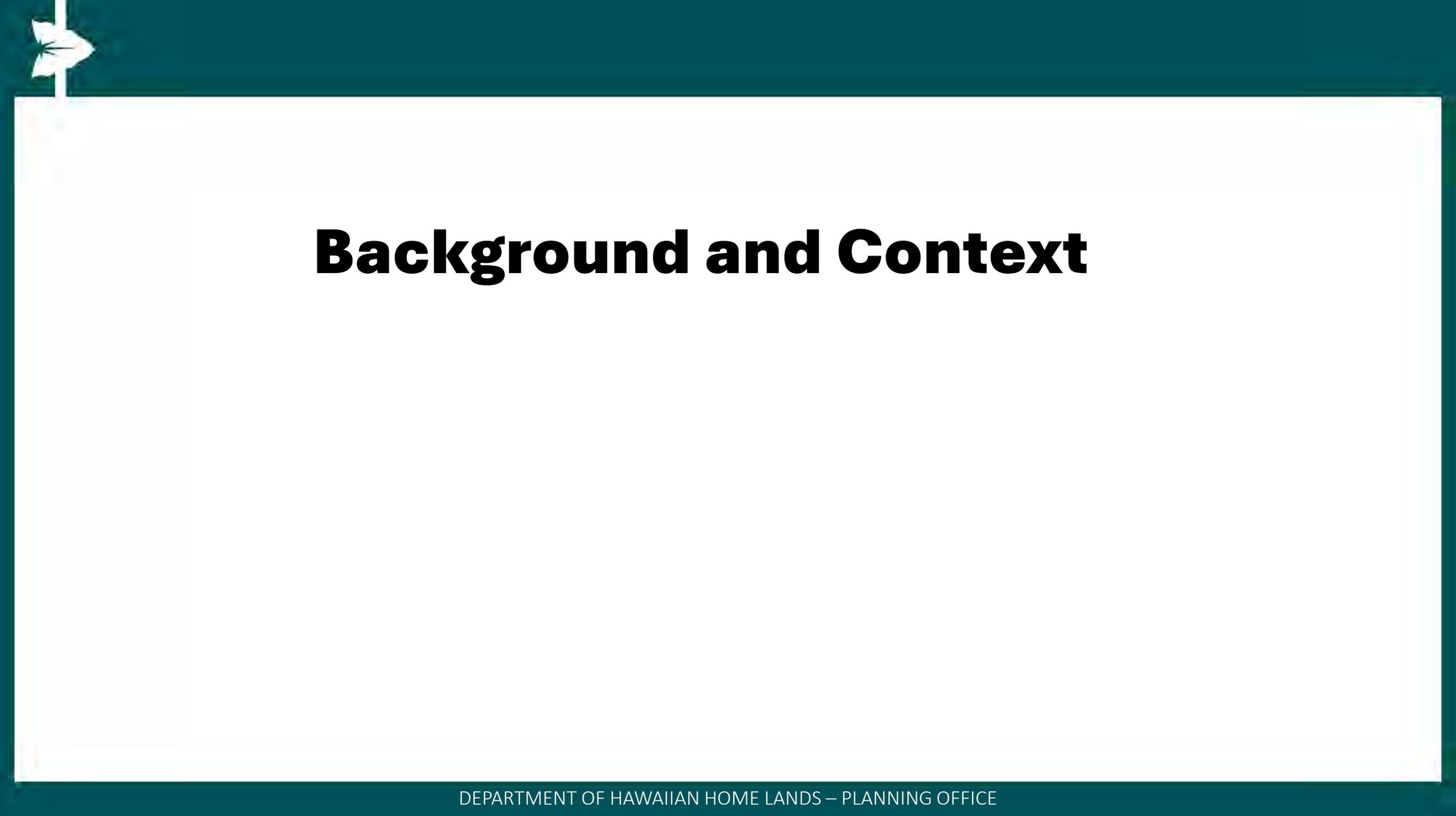
- **Background & Context**

- Section 91-3, HRS Procedural Requirements for Rulemaking
- Rule Amendment Process and Timeline
- Commission amendments to Draft #1 that responded to beneficiary concerns

- **Public Hearing Report**

- Draft #2 for Public Hearings
- Publication of Public Notice
- Public Hearing Format
- Public Hearing Record: Testimony points in Support, in Opposition, Based on Misinformation, and Requests/Demands to DHHL

- **Proposed Amendments (revised) for Action**



Background and Context

Section 91-3, HRS Procedural Requirements for Rulemaking

Before rules can be adopted the State agency is required to:

- Publish a Public Notice 30-days before the Public Hearing
- Conduct a Public Hearing
- Accept Written and Oral Testimony
- Consider and Discuss the Testimonies
- Obtain Commission Approval
- Compile Chapter 10-3, HAR (update references)
- Obtain AG, B&F, and Gov's Approval
- File Adopted and Compiled Admin. Rules with the Lt. Gov's Office.
- Rule becomes effective 10-days after filing.



Rule Amendment Process and Timeline

TIMEFRAME	RULE-AMENDMENT ACTIVITY
Dec 2024	Proposed Rule (Draft #1) and HHC approval for Beneficiary Consultation
Mar-June 2025	Conducted Statewide Beneficiary Consultation meetings (21 total; 4 Virtual)
Sept. 2025	<ul style="list-style-type: none">-Beneficiary Consultation Report-HHC Amendments to address beneficiary concerns (Draft #2)-Approval to proceed to public hearing
Dec 2025	Publication of Public Notice regarding Public Hearings
Jan 2026	Conducted 2 Public Hearings on Jan. 28, 2026 to receive public testimonies: <ul style="list-style-type: none">-Virtual Meeting at 12:00 p.m.-Hybrid Meeting at 6:00 p.m.—in-person at Hale Pono‘ī
Feb 2026	Public Hearing Record; Request for HHC Adoption of Rule Amendments

HHC Amendments to Address Beneficiary Concerns

Beneficiary Concerns from BC Meetings on Draft #1	HHC Amendments to Address Concerns Draft #2 (Public Hearings)
<p>1. Application process is onerous; would be another opportunity for DHHL to disqualify applicants</p>	<p>Applying to the Pilina Priority Waitlist is optional.</p>
<p>2. Applicants can claim connection to more than one place.</p>	<p>An Applicant can only be awarded one homestead lease through the Pilina-Based Priority Waitlist process.</p>
<p>3. Draft #1 does not identify how long an Applicant needs to reside in a place to qualify for the Pilina Waitlist. Should be at least 1 generation.</p>	<p>To qualify for residency, the Applicant must prove residency in the area for at least 18-years.</p>
<p>4. An Applicant who has a relative who lives in the area does not prove that the Applicant has a pilina to that place.</p>	<p>Eliminated the option to qualify through a family member’s long-term residency in area.</p>
<p>5. Admin. Rules should not use Hawaiian words because they can have multiple meanings which could be interpreted in different ways.</p>	<p>Replaced “wahi” with “place.” “Place” will be used to define the area that would be used to qualify lineal descendants and long-term residents. “Place” will be defined by each community when homestead master plans are developed.</p>



HHC Amendments to Address Beneficiary Concerns

Beneficiary Concerns from BC Meetings on Draft #1

6. Draft #1 applied the Pilina Priority only to Kuleana homesteads. There were only a few areas designated for Kuleana Homestead development; and only 1 area that actually awarded Kuleana Leases.

Applicants from non-Kuleana designated areas said they were being unfairly excluded and would not be able to use the Pilina-Based Priority to secure their homeland and to secure continuity of generational place-based knowledge. They wanted to know how they could get their community to be designated as a Kuleana Homestead.

Areas consistently expressing concern about not being included: Hilo, Makuu, Kohala/Waimea, Waimanalo, and West Kauai.

HHC Amendments to Address Concerns Draft #2 (Public Hearings)

Expanded the Pilina Priority rule to the award of all homestead leases.

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Public Hearings

Revised Admin. Rules Presented at Public Hearings

- New Rule (10-3-12) that creates a Pilina-Based Priority Waitlist for areas where DHHL is awarding Homestead leases.
- When notified by DHHL, Applicants on the respective Islandwide Waitlist have the option to apply for the Pilina-Based Priority Waitlist for specific homestead if the Applicant can document that he/she is:
 - A former or current resident who has lived in the **area*** for at least 18-years; OR
 - A lineal descendant of an ancestor who lived in the **area*** prior to 1900.
- The **qualifying area*** around the homestead being awarded, that the Applicant or the Applicant's ancestor would have to reside within to qualify for the Pilina Priority Waitlist, will be determined in the planning process for the particular homestead.
- While an Applicant might qualify for more than one Pilina Priority Waitlist, Applicants can only be on one Pilina Waitlist at a time. In addition, an applicant may only be awarded one homestead lease through the Pilina Priority Waitlist process.



Process Presented

Establishes the process for application and awards of leases:

1. Notification: When DHHL publishes the Master/Settlement Plan and the Final Environmental Assessment for a new homestead, DHHL shall notify applicants on the respective Islandwide Waitlist(s) that it is accepting applications for the Pilina-Based Priority Waitlist for the new homestead.
2. Application: Applying to the Pilina-Based Priority Waitlist is optional. If the Applicant chooses to submit an application, the Applicant is responsible to secure and submit to DHHL, all documents needed to verify the Applicant's former or existing residence in the area for at least 18-years, or the Applicant's ancestor's residence in the area prior to 1900.
3. Verification: DHHL verifies documentation and notifies the applicant on whether they qualified for the Pilina Waitlist or not. If the Applicant qualifies for the Pilina Waitlist, he/she is added to the respective Pilina Waitlist by date of application.
4. Lease Awards: When DHHL is ready to award leases for the homestead, if an Area Waitlist exists, homestead leases would be awarded to the Applicants on the Area Waitlist first. If lots are still available, then homestead leases would be awarded to Applicants on the Pilina Waitlist, then to those on the Islandwide Waitlist
5. Closure of the Pilina Waitlist: When all leases have been awarded for the homestead, the Pilina Waitlist for that homestead is finished/eliminated. If applicants still exist on the Pilina Waitlist, they will be returned to their original position on the respective Islandwide Waitlist(s).



Public Hearing Report

- Two (2) Public Hearings were scheduled on January 28, 2026 to accept testimonies on the Proposed Rule amendments. The attendance numbers on Page 11 of the written submittal should be corrected as follows:
 1. A virtual public hearing was held at 12:00 noon.
 - 21 people attended the meeting; 6 people submitted oral testimonies.
 2. A hybrid public hearing was held at 6:00 p.m. at Hale Ponoʻī at DHHL's Main Office in Kapolei.
 - 5 people attended in-person; 4 people attended remotely; 4 people submitted written testimonies.
 - In total, 30 people attended the Public Hearings

Public Hearing Summary

Primary Support Themes

- **Generational ‘Ike** Preserving intergenerational knowledge of land, resources, and practices.
- **Kupa ‘Āina Recognition** Recognition of applicants who have a deep-rooted relationship to place--who were born and raised in, or whose families have long-standing ties to a specific place and who maintain a lived, cultural, and stewardship relationship with that ‘āina. The Department has not had a process that honors our ahupua‘a tenants and lineal descendants.
- **Stewardship Continuity** Ensuring homestead awards support sustainable management of land by families with historical and place-based knowledge.



Public Hearing Summary

12 Total: 7 in Support; 5 Opposed/Concerned

Primary Concerns

- **Expansion Beyond Kuleana Areas** Concern that the rule's scope was substantially expanded after Beneficiary Consultation meetings (from Kuleana leases to all homestead leases)
- **Beneficiary Consultation Concerns** Concern that expanding the rule may require additional beneficiary consultation and review
- **Fairness to Long-Waiting Applicants** Concern that applicants who have been on the Islandwide Waitlists for decades could be perceived as disadvantaged.
- **DOI-ONHR Consultation or Approval** Concern that DHHL did not consult DOI-ONHR on the rule amendments; that DOI-ONHR did not approve the Rule amendments.

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**Proposed Admin Rule Amendments
(revised) for HHC Action**



PROPOSED RULE AMENDMENT

- **Establishes a Pilina-based Priority Waitlist for areas where DHHL is making homestead awards**
- **Establishes the term “area” for lineal descendants and current or previous residents which will be further identified in the Master/Settlement Plan process**
- **Establishes how to prove / qualify for pilina to place**
 - Former or current residency of at least 18 years.
 - Lineal descendancy (HAR §10-3-12(d)(2))
 - Applicant has a relative who is a current resident of the wahi (HAR §10-3-12(d)(3))
- **Establishes a Procedural process**
 - DHHL notifies applicants on respective Islandwide Waitlist that it is accepting applications for Pilina Priority Waitlist for _____ homestead awards.
 - Applicant submits documentation.
 - DHHL verifies documentation, notifies applicant, puts applicant on Pilina list by date of application
 - Makes awards. If all of Pilina list award, then award from Islandwide List. If applicants still on Pilina list, they return to Islandwide list...same order.



Trust-Based Rationale

Pilina-Based Priority supports and advances trust purposes by:

- Preserves generational knowledge
- Supports sustainable land management
- Strengthens rural Hawaiian communities
- Prevents displacement of lineal descendants of a place
- Provides a means to restore/return displaced lineal descendants to return to their ancestral lands.
- This is not preference by status —
It is preference grounded in place-based stewardship.



Equity Safeguards

To address fairness concerns:

- The Pilina Waitlist is optional
- Applicants remain on the Islandwide Waitlist in rank order
- Only one Pilina lease award is allowed per applicant
- Waitlist expires when lots are all awarded
- Non-awarded applicants return to their original Islandwide Waitlist in their original rank order.



Staff Recommendation

That the Hawaiian Homes Commission:

- Adopt the Proposed Amendments Related to a Pilina-based Priority and Approve Proceeding to Compilation of HAR Chapter 10-3



HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION · DEPARTMENT OF HAWAIIAN HOME LANDS

Declare a Finding of No Significant Impact for the Final Environmental Assessment for the North Kona Wells Project – Keauhou Wells Site & Kahalu'u Tank Site, TMKs: portions of [3] 7-8-004:013, 014, and 015; & portions of [3] 7-8-009:014, 032, 054 and 077, Kona, Hawai'i.

Item G-3

Hawaiian Homes Commission

February 17-18, 2026



HHC Role

- An Environmental Assessment (EA) is what is referred to as an Environmental Disclosure Document, it discloses any potential impacts to people and place. **There are three (3) pathways to comply with HRS Chapter 343 – an Environmental Assessment, and Environmental Impact Statement or an exemption, sometimes called a categorical exemption.**
- Today, this Commission will be asked to **issue a determination or a Finding of No Significant Impact (FONSI)** based on the 13 significance criteria.
- It is my kuleana as staff to oversee the preparation of this document, technical studies, and bring this project to the HHC for information and ultimately for a determination. It is your kuleana as Commissioners to question the quality of the document and the quality of the work to **ensure that the final product is truly in compliance with the HRS.** As staff, we invite your questions, critiques and concerns. It is a necessary check & balance in this process.



Recommended Motion/Action

That the Hawaiian Homes Commission (HHC) issue a Finding of No Significant Impact (FONSI) declaration based on the Final Environmental Assessment (FEA) for the North Kona Wells Project – Keauhou Well Site & Kahalu'u Water Storage Tanks, TMKs: portions of [3] 7-8-004:013, 014, and 015; & portions of [3] 7-8-009:014, 032, 054 and 077, Kona, Hawai'i.

PROJECT BACKGROUND

- HHL in Kona totals approx. 1,400 acres Region
- Water source development to support DHHL's long-term plans for these lands is critical – Priority Project in the Regional Plan Updates
- 2015 CWRM water reservation of 3.398 MGD requires groundwater well development
- DHHL lands overlay water sources in the Kaloko-Honokōhau National Park area of concern
- DHHL has identified two potential groundwater well locations in the Kona region that could supply the necessary potable water needed
- In 2025, a Final EA for water source development on the Gianulias site was issued a FONSI



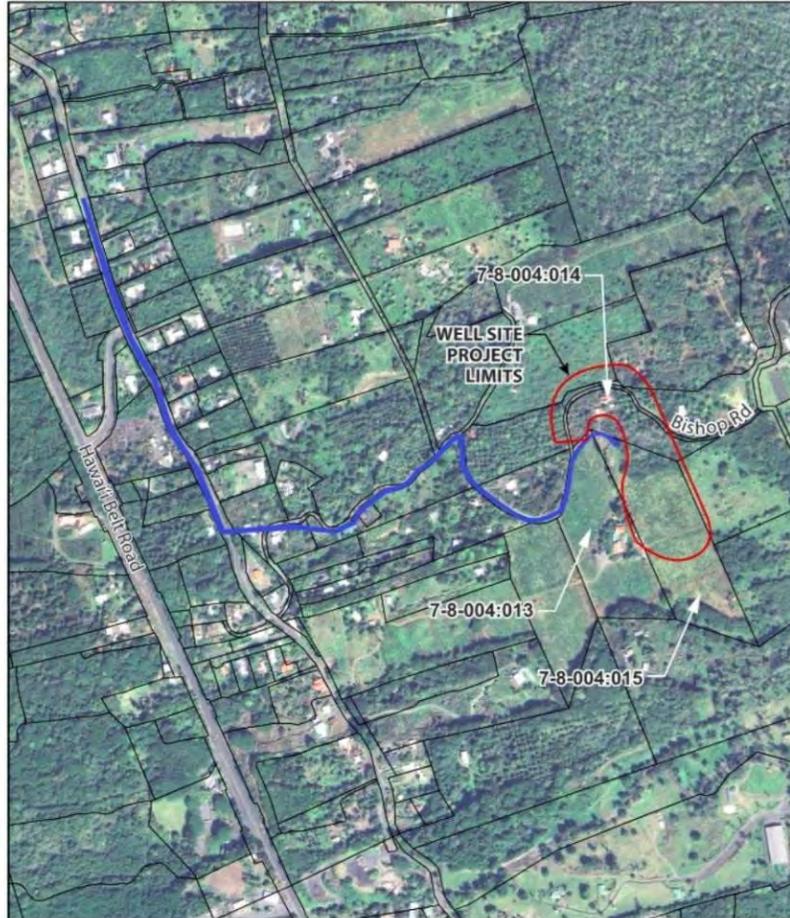
NORTH KONA WATER
POTENTIAL SOURCE DEVELOPMENT SITES



PROPOSED ACTION

Figure 1.1: Project Location - Well Site

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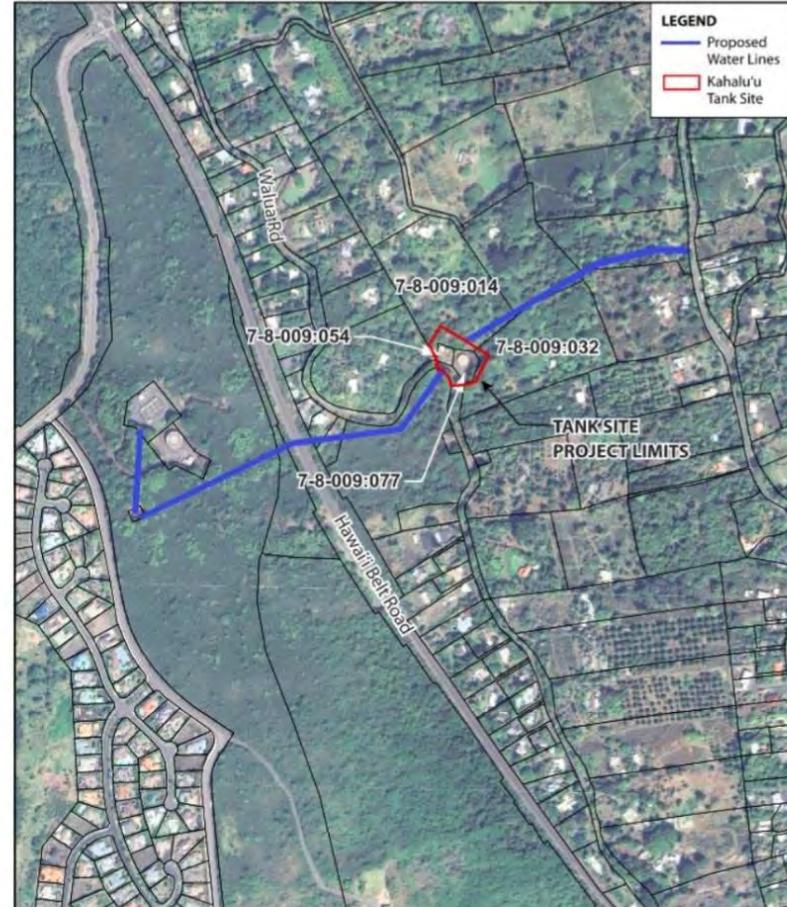
Source for the data: USDA Web Soil Survey



TMK Map

Figure 1.2: Project Location - Tank Site

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Source for the data: State of Hawaii, Department of Agriculture



TMK Map

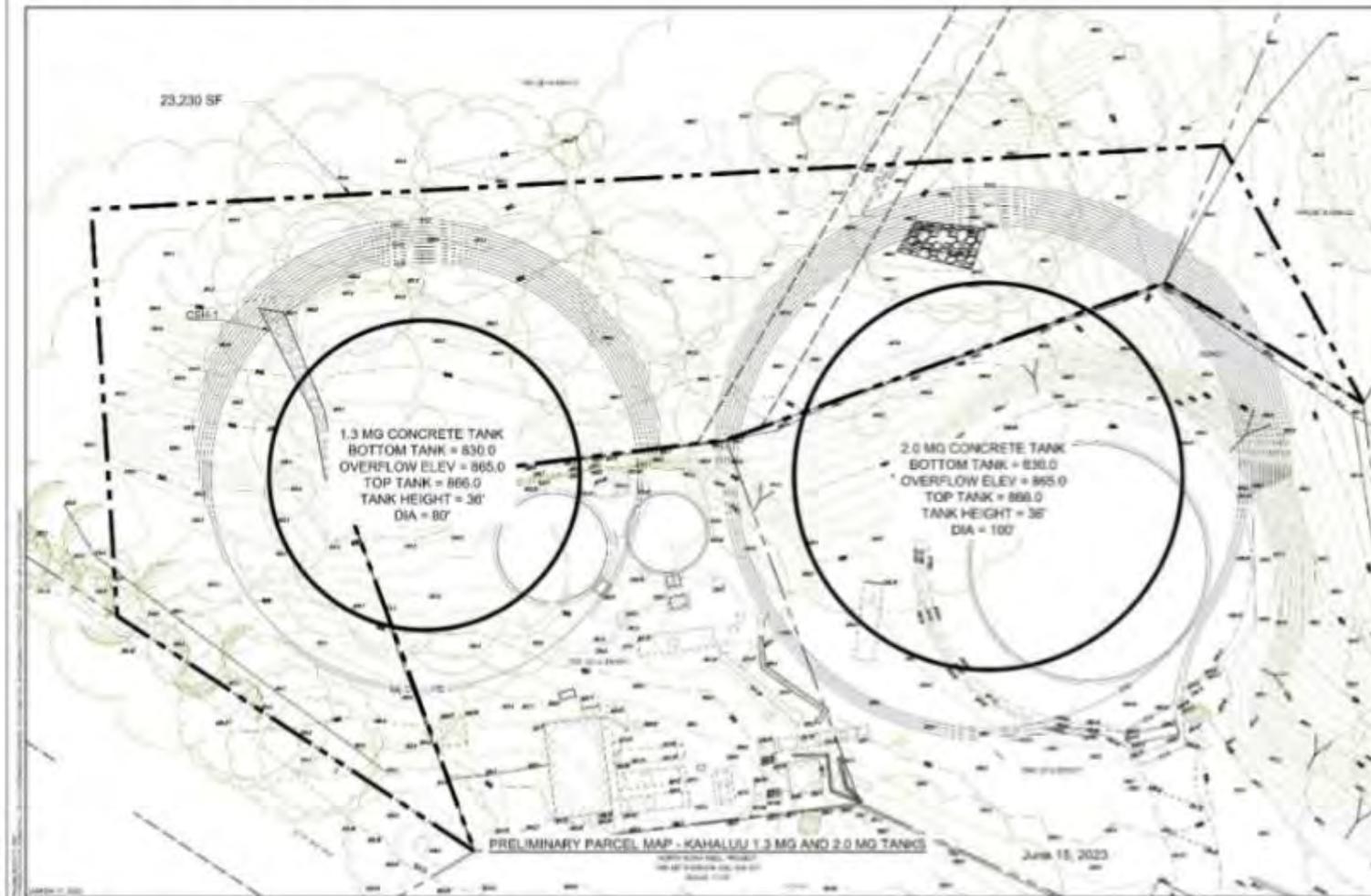
PROPOSED ACTION

Figure 1.4: Well Site Preliminary Site Plan



PROPOSED ACTION

Figure 1.5: Tank Site Preliminary Site Plan





HEPA Significance Criteria

1. Irrevocably commit a natural, cultural, or historic resource.
2. Curtail the range of beneficial uses of the environment.
3. Conflict with the State's environmental policies or long-term environmental goals established by law.
4. Have a substantial adverse effect on the economic welfare, social welfare, or cultural practices of the community and State.
5. Have a substantial adverse effect on public health.
6. Involve adverse secondary impacts, such as population changes or effect on public facilities.
7. Involve a substantial degradation of environmental quality.
8. Be individually limited but cumulatively have substantial adverse effect upon the environment or involves a commitment for larger actions.
9. Have a substantial adverse effect on a rare, threatened, or endangered species, or its habitat.
10. Have a substantial adverse effect on air or water quality or ambient noise levels.
11. Have a substantial adverse effect on or be likely to suffer damage by being located in an environmentally sensitive area such as a flood plain, tsunami zone, sea level rise exposure area, beach, erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal waters.
12. Have a substantial adverse effect on scenic vistas and viewplanes, day or night, identified in county or state plans or studies.
13. Require substantial energy consumption or emit substantial greenhouse gasses.



Potential Impacts and Mitigation Measures

Geology, Topography, and Soils

- Short term impacts from clearing, grading, grubbing project area
- Mitigation includes erosion and sediment control; soil loss and erosion Best Management Practices (BMPs)

Hydrologic Resources

- Project will result in greater groundwater withdrawal from the Keauhou Aquifer System Area within the aquifer's sustainable yield
- Short term impacts related to ground disturbance during construction
- Mitigation includes soil loss and erosion Best Management Practices (BMPs); NPDES permit, engineering report compliant with HAR § 11- 20-29 to identify and reduce or eliminate contamination potential

Biological Resources

- Project may result in short-term impacts including potential spread of invasive species and Temporary displacement of fauna species during construction phase
- Mitigation includes Invasive species control measures; fauna avoidance and impact reduction BMPs; biological resource training for crews; fauna resource buffers



Potential Impacts and Mitigation Measures

Archaeological and Historic Properties

- Regardless of the of the final siting location, the following mitigation measures would be implemented to prevent or minimize potential impacts on historic, cultural or archaeological resources:
 - Conduct cultural resource training as a component of safety training for project personnel before working onsite. Training should include informing crews of the potential for inadvertent cultural finds including archaeological deposits and iwi kūpuna, or human remains.
 - Conduct archaeological monitoring during ground disturbance activities during construction phase.
 - If any cultural or historic resources are identified during construction activities, all work will cease in that area and the SHPD will be notified pursuant to HAR § 13-280-3. A cultural preservation plan for proper cultural protocol, curation and long-term maintenance should be developed as appropriate.
 - If iwi kūpuna are identified during construction activities, all work will cease immediately in that area and be cordoned off while the SHPD, coroner and the police department are notified pursuant to HAR § 13-300-40.
- If Proposed Action is sited within focused study area of inventory survey, upon SHPD concurrence no further archaeological documentation or mitigation regarding the properties would be required.



Potential Impacts and Mitigation Measures

Cultural Resources and Practices (for the Draft EA)

**We looked to the Ka Pa'akai Framework Analysis to aid in understanding this section*

1. What are the valued cultural, historical, or natural resources in the project area and the extent to which traditional and customary native Hawaiian rights are exercised in the area?

- The inventory findings with respect to the practices and associated resources in and around the Gianulias study area are organized under the following themes:
 - Bird Catching
 - Forestry and Hana Wa'a
 - Mahi 'ai 'ana – Cultivation
 - Trails and Connectivity
 - Lawai'a & Wa'a (Paddling, Sailing, Voyaging)
 - Kilo and Weather – Environmental Indicators
 - Mea Wai - Water Resources and Collection
 - Other Practices, including Hana No'eau, Beliefs, and Spirituality (not already included above)
- *The full inventory is included in the Preliminary Draft of the Ka Pa'akai Framework Analysis Report in the appendices of the Draft EA.*



Potential Impacts and Mitigation Measures

Cultural Resources and Practices (for the Draft EA)

**We looked to the Ka Pa'akai Framework Analysis to aid in understanding this section*

2. What is the extent to which those resources – including traditional and customary native Hawaiian rights – will be affected or impaired by the proposed action?

- Acknowledgement that groundwater withdrawals in Kona will impact the environment, see list of threats below. It is hard to know what the impacts will be on the resource and thereby on native rights and practices without further targeted research and studies.
- Aia i hea ka wai a Kāne? The Agency is obligated to answer this question when contemplating water development. For this proposed development, a better understanding of the potential impacts of high level well development is critical.
- Potential impacts should be expected not just in the vicinity of the water source development, but in the vicinity of the water use (Kealakehe). Mitigation measures should be considered for these potential impacts as well.
- DHHL has historically dedicated wells the County of Hawai'i in exchange for the operation and maintenance of the well by the County in lieu of in-house staff and knowledge. However, this short-term solution overlooks the value of resource control and stewardship for the future. This also reduces the role of beneficiaries and other native Hawaiians in having a meaningful role in how the resource is managed long-term. Other options for maintaining long-term resource and stewardship control should be contemplated instead.
- **Potential threats to resources, rights and/or practices:** (partial list below; full list will be in the Draft ka Pa'akai Framework Analysis)
 - Direct impacts at the site.
 - Impacts to water flow impacting both near and far from the well site.
 - Growth inducing effects and their impacts.
 - Threat for mauka well development, and thereby more mauka development which is a threat to the forest in the amaumau zone.
 - Threat to springs, water table, practice of mālama for areas where wells are developed (access, etc.).
 - Threat to carving traditions: wahi pana, wood, resources, materials, etc. There are three formal carving hui in Kona to date.
 - Threat to Kealakowaa, the only storied and designated place for staging waa construction in Kona.
 - Threat to punawai and water holes as well as restoration efforts such as restoration of traditional subsistence agricultural fields in the kuahewa (Kahalu'u Kuahewa).



Potential Impacts and Mitigation Measures

Cultural Resources and Practices (for the Draft EA)

**We looked to the Ka Pa‘akai Framework Analysis to aid in understanding this section*

3. What feasible action(s), if any, to be taken to reasonably protect any identified cultural, historical, or natural resources, and exercise of traditional and customary native Hawaiian rights in the affected area?

Feasible actions by DHHL to protect Native Hawaiian rights include the following:

- DHHL will uphold its mandates as prescribed by law.
- DHHL will site water source development within the same ahupua‘a as it will be consumed whenever possible.
- DHHL and its beneficiaries want to support other Kona communities in their water independence. Efficiency and conservation measures in areas that are importing water are critical in appropriately valuing the resource and respecting the communities that are exporting water.
 - Conservation & efficiency measures for transportation, storage and consumption.
 - Water recycling.
 - Water conservation collaboration/partnership in public awareness campaign.
- Research, studies and monitoring should be planned for and funded that will be used to inform mitigation. Research and studies should be culturally informed. Appropriate thresholds should be identified and upheld.
 - Regional monitoring program with benchmarks and actions tied to those benchmarks.
 - The design of monitoring plans and the identification of benchmarks and actions should be culturally and community informed.
 - Propose management options if the trend is towards detrimental effects.



Potential Impacts & Mitigation Measures

- Frequent, meaningful, and accessible updates regarding research, studies and monitoring practices should be available to stakeholders. DHHL will consider the formation of a hui open to stakeholders to advise water-related decision-making and aid in outreach to stakeholders at large.
- DHHL will make efforts to encourage more beneficiaries and members of the native Hawaiian community to be involved in the Boards of Water Supply meetings and to be members on the Boards of Water Supply so these important stakeholders are able to have more authority over water use.
- DHHL should commit financially and administratively to supporting community-managed water resource management, specifically to look at alternatives for long-term dedication of the well site to the County DWS that better values the resource.
- DHHL will advocate for and participate in the update of the Water Use and Development Plan for Hawai'i County.
- DHHL will support and advocate for Commission on Water Resource Management (CWRM) analysis of water availability and revised sustainable yields, including a process that has substantial opportunity for public input.
- DHHL will advocate for CWRM to share more rigorous summaries of existing state of knowledge as published.
- DHHL will advocate for and participate in the update of the Statewide Framework for Updating the Hawaii Water Plan (Framework). The Framework was developed to provide guidance in the integration of the various components of the Hawaii Water Plan and to give additional direction to the various agencies responsible for the preparation of its constituent parts. This Framework was created in 2000 and is in need of update and revision.



Potential Impacts & Mitigation Measures

- DHHL will aid in funding mālama 'āina/watershed management efforts in affected ahupua'a to increase water recharge and to allow for mālama of places and areas critical for the continuation of native practices.
- DHHL will create a clear pathway for long-term access for native rights and customary practices on DHHL's lands and will look into its current ROE/land disposition process for creating an appropriate pathway for activities such as mālama 'āina and stewardship.
- DHHL will collaborate with stakeholders in the creation of a preservation plan for Kealakowaa, the protection of cultural, historical and natural resources associated with the Kona field system, and stewardship of the Kona upland forests. These efforts include contributions or resources in other areas or in the project parcel itself, towards the restoration of these valued resources in collaboration with cultural practitioners, lineal descendants, native tenants, beneficiaries, etc.

With consideration of the Ka Pa'akai Framework Analysis and by implementing mitigation measures to ensure the protection of traditional and cultural rights and practices, the Proposed Action is not anticipated to have a significant impact on cultural resources and practices.

Considering the resources and practices present and potential effects identified in the Ka Pa'akai Framework Analysis, DHHL should implement the mitigation measures above to ensure the protection of traditional and customary native Hawaiian rights and practices within the project area.



EA Summary

- Finding of No Significant Impact (FONSI) - Proposed project is not anticipated to have a significant impact on the surrounding environment.
- Project will implement mitigation measures, including BMPs, biological control measures, and cultural and archaeological monitoring.
- Project provides increased opportunity for native Hawaiians to access housing and economic opportunities.



Past Actions & Next Steps

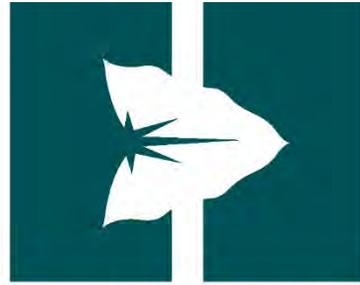
- DEA publication in the *The Environmental Notice* on November 23, 2025.
- 30-Day public comment period on DEA from November 23 to December 23, 2025.
- Incorporate and revise DEA based on public comments received (January 2026).
- HHC approvals for the Final Environmental Assessment (February 2026).
- HHC approval of Purchase and Sales Agreement (Spring 2026).
- Finalize acquisition of the property (2nd Qtr 2026).
- Design & construct test well
- Confirm test well results
- Obtain CWRM well construction and pump installation permit
- Design & construct production well, storage and transmission improvements required by the County
- HHC approval for a water agreement with the County



Recommended Motion/Action

That the Hawaiian Homes Commission (HHC) issue a Finding of No Significant Impact (FONSI) declaration based on the Final Environmental Assessment (FEA) for the North Kona Wells Project – Keauhou Well Site & Kahalu‘u Water Storage Tanks, TMKs: portions of [3] 7-8-004:013, 014, and 015; & portions of [3] 7-8-009:014, 032, 054 and 077, Kona, Hawai‘i.

Mahalo



DEPARTMENT OF HAWAIIAN HOME LANDS

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