

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

91-5420 Kapolei Parkway, Kapolei, O'ahu, Hawai'i
Monday, January 23, 2017 at 10:30 a.m. to be continued, if necessary, on
Tuesday, January 24, 2017, at 9:00 a.m.

Note: Commission Meeting Packets will be available at dhhl.hawaii.gov, by Saturday, January 21, 2017.

I. ORDER OF BUSINESS

1. Roll Call
2. Approval of Agenda
3. Approval of Minutes for November 2015, December 2015

II. ITEMS FOR DECISION MAKING

A. PUBLIC TESTIMONY ON AGENDIZED ITEMS

B. CONSENT AGENDA

Homestead Services Division

- D-3 Approval of Consent to Mortgage (see exhibit)
- D-4 Approval to Schedule Loan Delinquency Contested Case Hearings (see exhibit)
- D-5 Approval of Homestead Application Transfers / Cancellations (see exhibit)
- D-6 Commission Designation of Successors to Application Rights – Public Notice 2015 (see exhibit)
- D-7 Ratification of Designations of Successors to Leasehold Interest and Designation of Persons to Receive Net Proceeds (see exhibit)
- D-8 Approval of Assignment of Leasehold Interest (see exhibit)
- D-9 Approval of Amendment of Leasehold Interest (see exhibit)
- D-10 Approval to Issue Non-Exclusive Licenses for Rooftop Photovoltaic Systems for Certain Lessees (see exhibit)
- D-11 Commission Designation of Successor – **BARBARA JEAN L. SMITH**, Lease No. 499, Lot No. 33F1&2, Hoolehua, Molokai
- D-12 Approval for Payment of Net Proceeds – **DAYNA L. KAIA-KAAIHUE**, Residential Lot Lease No. 9505, Lot No. 67, Waiehu Kou Phase II Subdivision, Wailuku, Maui
- D-13 Request to Schedule Contested Case Hearing – **Lease Violations** (see exhibit)
- D-14 Conditional Approval of Subdivision, Transfer of a Portion of Lease and Amendment to Lease No. 6973, Lot 29, Makuu, Hawaii – **JOHN I. KEKAHUNA**

C. REGULAR AGENDA

Land Development Division

- E-1 Approval of Various Lease Awards (see exhibit)
- E-2 Rescission of Homestead Lease Award and Reinstatement of Application – Kauai Undivided Interest – Rhonda L. Thompson

III. EXECUTIVE SESSION (discussion to be held during lunch break)

The Commission anticipates convening in executive meeting pursuant to Section 92-5(a)(4), HRS, to consult with its attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities on these matters.

1. Update on Nelson Case - Richard Nelson, III et al., v HHC, Civil No. 07-1-1663
2. Approval of settlement in matter concerning DHHL guarantees of loans made by American Savings Bank.
3. Update on issues related to Sandwich Isles Communications.

IV. ITEMS FOR INFORMATION/DISCUSSION

A. GENERAL AGENDA

Requests to Address the Commission

- J-1 Juliana & Clarence Montalvo – Waiehu Kou 3 Lease
- J-2 James Gay – Various Homestead Issues
- J-3 Kanani Wong – Pueo on DHHL Land
- J-4 Princess Lehuanani Aquino – Waitlist
- J-5 Kapono Kahui – Waimānalo Kaikana Project
- J-6 Bo Kahui – La‘i‘Opua 2020 and La‘i‘Opua Community Association
- J-7 Porter Devries & Avery Kramer – La‘i‘Opua 2020

B. WORKSHOPS

Land Management Division

- F-1 New Markets Tax Credit (GL No. 286, La‘i‘Opua 2020) – Pacific Growth Associates, LLC

Planning Division

- G-3 Legislative Updates 2017

Office of the Chairman

- C-1 Update of Amendments to Title 10, Hawaii Administrative Rules
- C-2 Potential Topics for Administrative Rulemaking 2017
- C-3 Update on DHHL Workplan

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

91-5420 Kapolei Parkway, Kapolei, O‘ahu, Hawai‘i

Tuesday, January 24, 2017, at 9:00 a.m.

I. ORDER OF BUSINESS

- A. Roll Call
- B. Public Testimony on Agendized Items

II. ITEMS FOR DECISION MAKING

A. REGULAR AGENDA

- F-2 Consent to Assignment, Partial Cancellation, Amendment, and Restatement of Sublease and Mortgages in connection with the New Markets Tax Credit financing, General Lease No. 286, La‘i ‘Opua 2020, Kealakehe, Island of Hawaii, TMK Nos. 374021002(por.) & 003

Planning Office

- G-1 Adoption of the Pana‘ewa Regional Plan Update (2017), Hilo, Hawai‘i

III. ITEMS FOR INFORMATION/DISCUSSION

A. REGULAR AGENDA

Homestead Services Division

- D-1 HSD Status Reports
 - Exhibits:
 - A - Homestead Lease and Application Totals and Monthly Activity Reports
 - B – Delinquency Report
 - C – DHHL Guarantees for FHA Construction Loans
- D-2 Loan Interest Rate Policy

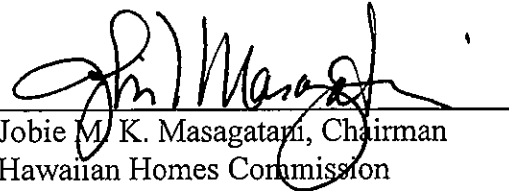
Planning Office

- G-2 Overview of the Native Hawaiian Rehabilitation Fund (NHRF) and Preliminary Work Plan for Strategic Review of NHRF Revenues

IV. ANNOUNCEMENTS AND ADJOURNMENT

- 1. Next Meeting –February 21 & 22, 2017, Hale Pono‘i, DHHL Kapolei
- 2. Adjournment

Note: Contested Case Hearings begin at 1:00 p.m.



Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission

COMMISSION MEMBERS

Doreen N. Canto, Maui
Kathleen P. Chin, Kaua'i
Gene Ross K. Davis, Moloka'i
Wallace A. Ishibashi, East Hawai'i

David B. Ka'apu, West Hawai'i
Michael P. Kahikina, O'ahu
William K. Richardson, O'ahu
Wren Wescoatt, O'ahu

No community meetings scheduled for January and February 2017.
Next community meeting is scheduled for Monday, March 20, 2017, in Waimānalo, O'ahu.

Special Accommodations (such as Sign Language Interpreter, large print, taped material) can be provided, if requested, at least five (5) working days before the scheduled meeting on the respective island by calling Ku'uwehi Hiraishi, at the **Information & Community Relations Office**, on Oahu, (808) 620-9590.

ITEM D-3 EXHIBIT
APPROVAL OF CONSENT TO MORTGAGE

LESSEE	LEASE NO.	AREA
AKAU, Marleen L.	2762	Kewalo, Oahu
AKAU, Nathan C.	2762	Kewalo, Oahu
AKEN, Elwood K.	8334	Princess Kahanu Estate, Oahu
ANDRADE, Noe K.	12773	Hoolimalima, Oahu
CADIZ, Chanelle	12619	Kanehili, Oahu
CARVALHO-YUEN, Victoria K.	12774	Hoolimalima, Oahu
CUI, Hanah D.	12770	Hoolimalima, Oahu
DEPONTE, Douglas J.	115	Hoolehua, Molokai
ENRIQUEZ, Graen A., Jr.	12771	Hoolimalima, Oahu
FURTADO, George B.	12121	Kaupea, Oahu
HUE, Lynn M.	5423	Paukukalo, Maui
JUDD, Zachary	11170	Panaewa, Hawaii
KEANU, Tami-Sue K.	9686	Waimanalo, Oahu
KENUI, Elizabeth K.	7384	Nanakuli, Oahu
KEOLANUI, Gilbert S. D. K. R.	4476	Waianae, Oahu
LAU, Theresa	12525	Lalamilo, Hawaii
LEE, Allison N.	679A	Waimanalo, Oahu
MCCOMBER, Neal P.	9324	Kaniohale, Hawaii
NAEOLE, Brian R.	3295	Kalamaula, Molokai
SALAZAR, Jamie	11224	Kumuhau, Oahu
SANCHEZ, Bonnie Jay	3392A	Puukapu, Hawaii
SANG, Lynette K.	12016	Kaupea, Oahu
UYENO, Sharleen	12772	Hoolimalima, Oahu
WALLACE, Roland K., Jr.	9787	Maluohai, Oahu
WESSEL, Richard E. K.	12775	Hoolimalima, Oahu

ITEM D-4 EXHIBIT
APPROVAL TO SCHEDULE LOAN DELINQUENCY CONTESTED CASE HEARINGS

LESSEE	LEASE NO.	AREA
AYAU, Edwin L. A.	17092	Kaupea, Oahu
BROWN, Bruce L.	12034	Kaupea, Oahu
CARINO, Michelle K. L.	7636	Waiohuli, Maui
CLARK, Gaylane K.	7627	Waiohuli, Maui
HOE, Alan W.	12192	Waiehu Kou IV, Maui
IBANA, Shawn K.	6187	Puukapu, Hawaii
KAALAKEA, David S.K.	12231	Waiehu Kou IV, Maui
KALEHAWEHE, Audiewon	12251	Waiehu Kou IV, Maui
KUIA, Jaime L.L.	7741	Waiohuli, Maui
LANI-MONTIRA, Melissa L.P.	9849	Waiehu Kou III, Maui
MAGBANUA, Momi L.	9266	Kaniohale, Hawaii
MCBRAYER, Timothy K.	11368	Kaupea, Oahu

NASILAI, Yolanda E.	11542	Leialii, Maui
ROSS, Jessica K.	11475	Leialii, Maui
SAFFERY-SAMIO, Valerie Ann K.	10202	Anahola, Kauai
TAVARES, Nathan W.	7554	Waiohuli, Maui
TRAVIS, Corrina L.	16954	Kaupea, Oahu
TUAOA, Shaela M.K.L.	12217	Waiehu Kou IV, Maui
TUFAGA, Jade P.L.	4929	Kuhio Village, Hawaii

ITEM D-5 EXHIBIT

HOMESTEAD APPLICATION TRANSFERS / CANCELLATIONS

APPLICANT	AREA
AKITA, Norman	Kauai IW Res
ALEXANDER, Sharon H.	Hawaii IW Agr
AZEVEDO, Edna H.	Hawaii IW Res
BECK, William L., Jr.	Hawaii IW Res to Oahu IW Res
BUENDIA, June L.M.	Maui IW Res to Hawaii IW Res
CHAI, Buffee W.	Oahu IW Res
GRAMBERG, William H.	Oahu IW Res
IBAAN, Kathleen M.	Kauai IW Agr
KAAUMOANA, Lillian P.	Hawaii IW Agr
KAHOONEI, Gregory J.K.	Hawaii IW Res
KAHUNAHANA, Deanedra	Oahu IW Res
KANUI, John	Oahu IW Res
KEKAHUNA, Primrose L.	Maui IW Agr to Molokai IW Pas
KERR, Rachel M.P.	Hawaii IW Res
KIHM, Leinaala M.	Waimea Area / Hawaii IW Pas
LAMANNA, Lavonne A.H.	Hawaii IW Res
MOONIHAWA, Zena K.	Kauai IW Agr
MOONIHAWA, Zena K.	Kauai IW Res
REINHARDT, Reginald S.	Hawaii IW Res
SALAUSSA, Crystal M.	Oahu IW Res
SIMMONS, Lisa Gay	Hawaii IW Agr
WAKUTA, Pamela W.	Kauai IW Res to Molokai IW Res
WILLING, Alberta L.	Oahu IW Res
WILLING, Eleanor L.	Oahu IW Res
WILLING, William K.	Oahu IW Res

* IW = Islandwide

ITEM D-6 EXHIBIT

DESIGNATION OF SUCCESSORS TO APPLICATION RIGHTS - PUBLIC NOTICE 2015

APPLICANT	AREA
ALEXANDER, Sharon H.	Hawaii IW Agr
IBAAN, Kathleen M.	Kauai IW Agr
KERR, Rachel M.P.	Waimanalo Area / Oahu IW Res

* IW = Islandwide

ITEM D-7 EXHIBIT

**RATIFICATION OF DESIGNATIONS OF SUCCESSORS TO LEASEHOLD INTEREST AND
DESIGNATION OF PERSONS TO RECEIVE NET PROCEEDS**

LESSEE	LEASE NO.	AREA
HERRING, Edith H.	8256	Lualualei, Oahu
KANIHO, Kenneth, Sr.	9079	Humuula, Hawaii
KEKAUOHA, Joan U.	863	Kewalo, Oahu
LEFEBVRE, Ella P. K.	2837	Nanakuli, Oahu
MAKEPA, John K. K., Jr.	5176	Nanakuli, Oahu
SOUZA, Alice K.	8623	Nanakuli, Oahu

ITEM D- 8 EXHIBIT

APPROVAL OF ASSIGNMENT OF LEASEHOLD INTEREST

LESSEE	LEASE NO.	AREA
BISHAW, Christian K., III	2752	Hoolehua, Molokai
GONZALES, Kekoa K. K.	12582	Kanehili, Oahu
KANAIAUPUNI, Elmer K.	4723	Nanakuli, Oahu
KAWAA, Mildred	3441	One Alii, Molokai
KEKINO, Jerome K. W.	7331	Nanakuli, Oahu
MOSES, May K.	2213	Kewalo, Oahu
MOSES, Peter K., Jr.	2213	Kewalo, Oahu
KANAIAUPUNI, Rodney J.	11492	Leialii, Maui
SOON, Mary Ann A. L. K.	1747	Nanakuli, Oahu
VELASCO, Pedro K., Jr.	651	Papakolea, Oahu
ZARRO, Gennaro John, III	10491	Leialii, Maui
SCHAMEL, Penny O.	7654	Waiohuli, Maui
GUERRERO, George P.	12466	Kapolei, Oahu
KAINA, Stanford I.	12342	Kapolei, Oahu
KOGA, Lanette L.	11685	Kapolei, Oahu
WILLIAMSON, Ruth L.	11810	Kapolei, Oahu
BISHAW, Christian K., III	2752Z	Hoolehua, Molokai
BORDEN, Darlene U.	5756	Hoolehua, Molokai
WEIGERT, Charis P. C.	7388	Keokea, Maui
WEIGERT, Joseph L. K.	7388	Keokea, Maui

ITEM D-9 EXHIBIT

APPROVAL OF AMENDMENT OF LEASEHOLD INTEREST

LESSEE	LEASE NO.	AREA
APO, Bryson K.	11245	Waimanalo, Oahu
BISHAW, Christian K., III	2752Z	Hoolehua, Molokai
BISHAW, James B. K.	2752Z	Hoolehua, Molokai
BISHAW, Christian K., III	2752	Hoolehua, Molokai
BRAINE, Albert H.	11280	Waimanalo, Oahu
DELIMA, Leini Kalama	11207	Waimanalo, Oahu
HO, Wilson K.	729	Waimanalo, Oahu
KAHALEWAI, Joseph K., Jr.	11243	Waimanalo, Oahu
KAI, Manuelita K.	5212	Nanakuli, Oahu

KALAHIKI, David K., Jr.	11293	Waimanalo, Oahu
KALUA, Isaac K., III	11213	Waimanalo, Oahu
KAMAI, William W.	11220	Waimanalo, Oahu
KANIAUPIO, Judy Mae L.	11234	Waimanalo, Oahu
KAUHOLA, William A.	11222	Waimanalo, Oahu
KAWAA, Mildred	3441	One Alii, Molokai
KEKAUOHA, Joan U.	863	Kewalo, Oahu
KOKI, Viola L.	645	Papakolea, Oahu
LEFEBVRE, Ella P. K.	2837	Nanakuli, Oahu
LENCHANKO, Rosalie A. L.	11256	Waimanalo, Oahu
MOKULEHUA, John W.	11240	Waimanalo, Oahu
MOSES, May K.	2213	Papakolea, Oahu
MOSES, Peter K., Jr.	2213	Papakolea, Oahu
PALAUALELO, Kristine K.	11202	Waimanalo, Oahu
PALAUALELO, Keahi H.	11202	Waimanalo, Oahu
PALAUALELO, Kinoe A.	11202	Waimanalo, Oahu
PARK, Bernadette K.	11223	Waimanalo, Oahu
RICHARDSON, Rylen M. K.	11297	Waimanalo, Oahu
SMITH, Thomas K.	11214	Waimanalo, Oahu
VELASCO, Pedro K.	651	Papakolea, Oahu
VELASCO, Paulette U.	651	Papakolea, Oahu
WILCOX, Robert K.	11232	Waimanalo, Oahu

ITEM D-10 EXHIBIT

APPROVAL TO ISSUE NON-EXCLUSIVE LICENSES FOR ROOFTOP PHOTOVOLTAIC SYSTEMS FOR CERTAIN LESSEES

LESSEE	LEASE NO.	AREA
BEAN, Mellaney L.	9264	Kaniohale, Hawaii
KAHANA, Alfred A. K.	3695	Waimanalo, Oahu
KALANI, Gerard K.	9294	Kaniohale, Hawaii
KAMAI, Corey K. L.	3644	Waimanalo, Oahu
KELLY, Kolani B.	5335	Waianae, Oahu
KIPAPA, George K. K.	8772	Waimanalo, Oahu
PAI, Tamara A. L.	8989	Waianae, Oahu
SANG, Lynette K.	12016	Kaupea, Oahu
SEGUANCIA, Glenn Q., Jr.	8578	Nanakuli, Oahu

ITEM D-13 EXHIBIT

REQUEST TO SCHEDULE CONTESTED CASE HEARING – LEASE VIOLATIONS

LESSEE	LEASE NO.	AREA
AH LOY, Marva Lee	2674-A	Puukapu, Hawai'i
BERTELMANN, Diedre	8041	Puukapu, Hawai'i
CRABBE, Mogul	9304	Kaniohale, Hawai'i
KAINOA, Godfrey K.	7232	Kawaihae, Hawai'i
KAPUNIAI, Taylor Duke	9024	Puukapu, Hawai'i

ITEM E-1 EXHIBIT

APPROVAL OF VARIOUS LEASE AWARDS

LESSEE	LEASE NO.	AREA
Andrade, Noe K.	12773	Kapolei, Oahu
Brown, Lesly K.	12816	Kailua-Kona, Hawaii
Carvalho-Yuen, Victoria K.	12774	Kapolei, Oahu
Cui, Hanah D.	12770	Kapolei, Oahu
Enriquez, Graen A. Jr.	12771	Kapolei, Oahu
Kaupu-Cabuag, Stanton	10188	Waimea, Hawaii
Kekauoha-Chartrand, Rebecca	12813	Kailua-Kona, Hawaii
Kurihara, Kimberly	12812	Kailua-Kona, Hawaii
Mokiao, Reed	12818	Kailua-Kona, Hawaii
Spinney, Howard H.	12815	Kailua-Kona, Hawaii
Uyeno, Sharleen	12772	Kapolei, Oahu
Vera Cruz, Louis Jr	12817	Kailua-Kona, Hawaii
Villanueva, Tanya-Lee M	10189	Waimea, Hawaii
Wessel, Richard E.K.	12775	Kapolei, Oahu

DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
January 23 & 24, 2017
KAPOLEI, HAWAII

C-ITEMS
OFFICE OF THE CHAIRMAN

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

January 23 & 24, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Hokulei Lindsey, Rules Officer
William Aila Jr., Deputy Director

SUBJECT:

- C-1 Update of Amendments to Title 10, Hawaii Administrative Rules
- C-2 Potential Topics for Administrative Rulemaking 2017
- C-3 Update on DHHL Workplan

THESE SUBMITTAL ITEMS WILL BE DISTRIBUTED UNDER SEPARATE COVER

ITEM NO. C-1, C-2, C-3

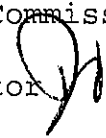
DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
January 23 & 24, 2017
KAPOLEI, HAWAII

D-ITEMS
HOMESTEAD SERVICES DIVISION

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission
From: Dean T. Oshiro, Acting HSD Administrator 
SUBJECT: **Homestead Services Division Status Reports**

RECOMMENDED MOTION/ACTION

NONE

DISCUSSION

The following reports are for information only:

Exhibit A: Homestead Lease & Application Totals
and Monthly Activity Reports

Exhibit B: Delinquency Report

Exhibit C: DHHL Guarantees for FHA Construction
Loans

January 23, 2017

SUBJECT: Homestead Lease and Application Totals and Monthly Activity Reports

LEASE ACTIVITY REPORT

Month through December 31, 2016

	As of 11/30/16	Add	Cancel	As of 12/31/16
Residential	8,307	3	0	8,310
Agricultural	1,099	0	0	1,099
Pastoral	409	1	0	410
Total	9,815	4	0	9,819

The number of Converted Undivided Interest Lessees represents an increase of 396 families moving into homes. Their Undivided Interest lease was converted to a regular homestead lease.

	As of 11/30/16	Converted	Rescinded/ Surrendered/ Cancelled	As of 12/31/16
Undivided	936	0	0	936

Balance as of 12/31/2016

Awarded	1,434
Relocated to UNDV	7
Rescinded	102
Surrendered	5
Cancelled	2
Converted	396
Balance to Convert	936

Lease Report For the Month Ending December 31, 2016

	----- RESIDENCE -----				----- AGRICULTURE -----				----- PASTURE -----				----- TOTAL LEASES -----			
	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL
OAHU																
Hoolimalima	0	3	0	3	0	0	0	0	0	0	0	0	0	3	0	3
Kalawahine	92	0	0	92	0	0	0	0	0	0	0	0	92	0	0	92
Kanehili	351	0	0	351	0	0	0	0	0	0	0	0	351	0	0	351
Kapolei	269	0	0	269	0	0	0	0	0	0	0	0	269	0	0	269
Kaupea	326	0	0	326	0	0	0	0	0	0	0	0	326	0	0	326
Kaupuni	19	0	0	19	0	0	0	0	0	0	0	0	19	0	0	19
Kewalo	250	0	0	250	0	0	0	0	0	0	0	0	250	0	0	250
Kumuhau	52	0	0	52	0	0	0	0	0	0	0	0	0	0	0	52
Lualualei	149	0	0	149	31	0	0	31	0	0	0	0	180	0	0	180
Malu'ohai	156	0	0	156	0	0	0	0	0	0	0	0	156	0	0	156
Nanakuli	1,051	0	0	1,051	0	0	0	0	0	0	0	0	1,051	0	0	1,051
Papakolea	64	0	0	64	0	0	0	0	0	0	0	0	64	0	0	64
Princess Kahanu Estates	271	0	0	271	0	0	0	0	0	0	0	0	271	0	0	271
Walahole	0	0	0	0	16	0	0	16	0	0	0	0	16	0	0	16
Waianae	420	0	0	420	11	0	0	11	0	0	0	0	431	0	0	431
Waimanalo	744	0	0	744	2	0	0	2	0	0	0	0	746	0	0	746
TOTAL	4,214	3	0	4,217	60	0	0	60	0	0	0	0	4,222	3	0	4,227
MAUI																
Hikina	30	0	0	30	0	0	0	0	0	0	0	0	30	0	0	30
Kahikinui	0	0	0	0	0	0	0	0	75	0	0	75	75	0	0	75
Keokea	0	0	0	0	65	0	0	65	0	0	0	0	65	0	0	65
Leaili	104	0	0	104	0	0	0	0	0	0	0	0	104	0	0	104
Paukukalo	180	0	0	180	0	0	0	0	0	0	0	0	180	0	0	180
Waiehu 1	39	0	0	39	0	0	0	0	0	0	0	0	39	0	0	39
Waiehu 2	109	0	0	109	0	0	0	0	0	0	0	0	109	0	0	109
Waiehu 3	114	0	0	114	0	0	0	0	0	0	0	0	114	0	0	114
Waiehu 4	98	0	0	98	0	0	0	0	0	0	0	0	98	0	0	98
Waiohuli	594	0	0	594	0	0	0	0	0	0	0	0	594	0	0	594
TOTAL	1,268	0	0	1,268	65	0	0	65	75	0	0	75	1,408	0	0	1,408
EAST HAWAII																
Discovery Harbour	2	0	0	2	0	0	0	0	0	0	0	0	2	0	0	2
Kamalo	0	0	0	0	0	0	0	0	25	0	0	25	25	0	0	25
Kaunalo	44	0	0	44	0	0	0	0	0	0	0	0	44	0	0	44
Keaukaha	472	0	0	472	0	0	0	0	0	0	0	0	472	0	0	472
Kurtistown	3	0	0	3	0	0	0	0	0	0	0	0	3	0	0	3
Makua	0	0	0	0	123	0	0	123	0	0	0	0	123	0	0	123
Panamae	0	0	0	0	263	0	0	263	0	0	0	0	263	0	0	263
Pihonua	17	0	0	17	0	0	0	0	0	0	0	0	17	0	0	17
Puueo	0	0	0	0	12	0	0	12	0	0	0	0	12	0	0	12
University Heights	4	0	0	4	0	0	0	0	0	0	0	0	4	0	0	4
Waikeala	297	0	0	297	0	0	0	0	0	0	0	0	297	0	0	297
TOTAL	839	0	0	839	398	0	0	398	25	0	0	25	1,262	0	0	1,262
WEST HAWAII																
Honokala	0	0	0	0	0	0	0	0	23	0	0	23	23	0	0	23
Humuula	0	0	0	0	0	0	0	0	5	0	0	5	5	0	0	5
Kamoku	0	0	0	0	0	0	0	0	16	0	0	16	16	0	0	16
Kanihale	224	0	0	224	0	0	0	0	0	0	0	0	224	0	0	224
Kawaihae	187	0	0	187	0	0	0	0	1	0	0	1	188	0	0	188
Laopua	280	0	0	280	0	0	0	0	0	0	0	0	280	0	0	280
Lalamilo	30	0	0	30	0	0	0	0	0	0	0	0	30	0	0	30
Nienie	0	0	0	0	0	0	0	0	21	0	0	21	21	0	0	21
Puukapu/Waimea/Kuhio Vll	114	0	0	114	109	0	0	109	215	1	0	216	438	1	0	439
Puupulehu	30	0	0	30	0	0	0	0	0	0	0	0	30	0	0	30
TOTAL	865	0	0	865	109	0	0	109	281	1	0	282	1,255	1	0	1,256
KAUAI																
Anahola	534	0	0	534	46	0	0	46	0	0	0	0	580	0	0	580
Hanapepe	47	0	0	47	0	0	0	0	0	0	0	0	47	0	0	47
Kekaha	116	0	0	116	0	0	0	0	0	0	0	0	116	0	0	116
Puu Opa	0	0	0	0	0	0	0	0	1	0	0	1	1	0	0	1
TOTAL	697	0	0	697	46	0	0	46	1	0	0	1	744	0	0	744
MOLOKAI																
Hoolehua	157	0	0	157	346	0	0	346	21	0	0	21	524	0	0	524
Kalamaula	163	0	0	163	72	0	0	72	3	0	0	3	238	0	0	238
Kapaakea	47	0	0	47	0	0	0	0	3	0	0	3	50	0	0	50
Moomomi	0	0	0	0	3	0	0	3	0	0	0	0	3	0	0	3
O'ne Alii	28	0	0	28	0	0	0	0	0	0	0	0	28	0	0	28
TOTAL	395	0	0	395	421	0	0	421	27	0	0	27	843	0	0	843
LANAI																
Lanai	29	0	0	29	0	0	0	0	0	0	0	0	29	0	0	29
TOTAL	29	0	0	29	0	0	0	0	0	0	0	0	29	0	0	29
STATEWIDE TOTAL	8,307	3	0	8,310	1,099	0	0	1,099	409	1	0	410	9,815	4	0	9,819

**HOMESTEAD AREA AND ISLANDWIDE APPLICATIONS WAITING LIST MONTHLY REPORT FOR THE MONTH ENDING
December 31, 2016**

AREA WAITING LIST

DISTRICT AREA	RESIDENCE				AGRICULTURE				PASTURE				TOTAL
	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	
Oahu District	1,015	0	0	1,015	3	0	0	3	0	0	0	0	1,018
Maui District	73	0	0	73	4	0	0	4	5	0	0	5	82
Hawaii District	135	0	0	135	15	0	0	15	62	0	0	62	212
Kauai District	56	0	0	56	3	0	0	3	29	0	0	29	88
Molokai District	20	0	0	20	19	0	0	19	1	0	0	1	40
TOTAL	1,299	0	0	1,299	44	0	0	44	97	0	0	97	1,440

ISLANDWIDE WAITING LIST

ISLAND	RESIDENCE				AGRICULTURE				PASTURE				TOTAL
	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	
Oahu	9,496	14	5	9,505	3,599	2	1	3,600	0	0	0	0	13,105
Maui	3,717	8	2	3,723	4,577	6	1	4,582	596	0	0	596	8,901
Hawaii	5,646	2	2	5,646	7,052	6	0	7,058	1,845	2	0	1,847	14,551
Kauai	1,598	4	1	1,601	2,201	0	0	2,201	293	0	0	293	4,095
Molokai	778	1	1	778	1033	1	0	1034	196	0	0	196	2,008
Lanai	84	0	0	84	0	0	0	0	0	0	0	0	84
TOTAL	21,319	29	11	21,337	18,462	15	2	18,475	2,930	2	0	2,932	42,744

AREA AND ISLANDWIDE LISTS

	RES				ADDITIONS		CANCELLATIONS	
	RES	AG	PAS	TOTAL				
OAHU	10,520	3,603	0	14,123	New Applications	38	New Lease Awards	5
MAUI	3,796	4,586	601	8,983	Application Transfers	8	Application Transfers	8
HAWAII	5,781	7,073	1,909	14,763	Lease Rescissions	0	Succ'd and Cancel Own	0
KAUAI	1,657	2,204	322	4,183	App Reinstatements	0	Public Notice Cancel	0
MOLOKAI	798	1,053	197	2,048	HHC Adjustments	0	Voluntary Cancellations	0
LANAI	84	0	0	84	TOTAL	46	Lease Successorships	0
TOTAL	22,636	18,519	3,029	44,184			HHC Adjustments	0
							Dec'd No Successor	0
							NHQ Unqualified	0
							TOTAL	13

HOMESTEAD AREA AND ISLANDWIDE APPLICATIONS WAITING LIST MONTHLY REPORT FOR THE MONTH ENDING

December 31, 2016

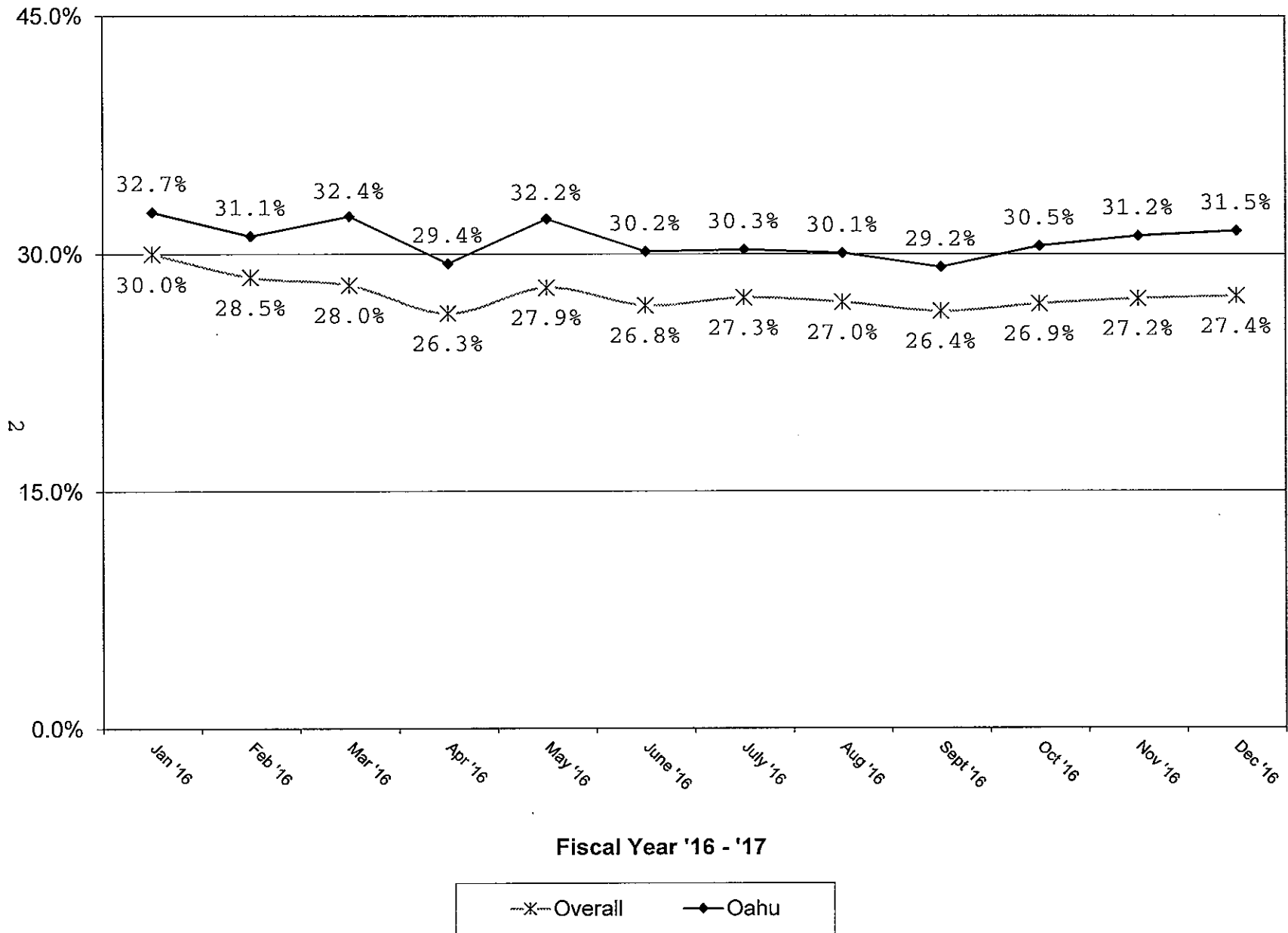
	RESIDENCE				AGRICULTURE				PASTURE				TOTAL
	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	Last Month	Add	Cancel	TOTAL	
OAHU DISTRICT													
Nanakuli	180	0	0	180	0	0	0	0	0	0	0	0	180
Waianae	160	0	0	160	0	0	0	0	0	0	0	0	160
Lualualei	0	0	0	0	3	0	0	3	0	0	0	0	3
Papakolea/Kewalo	72	0	0	72	0	0	0	0	0	0	0	0	72
Waimanalo	603	0	0	603	0	0	0	0	0	0	0	0	603
Subtotal Area	1,015	0	0	1,015	3	0	0	3	0	0	0	0	1,018
Islandwide	9,496	14	5	9,505	3,599	2	1	3,600	0	0	0	0	13,105
TOTAL OAHU APPS	10,511	14	5	10,520	3,602	2	1	3,603	0	0	0	0	14,123
MAUI DISTRICT													
Paukukalo	73	0	0	73	0	0	0	0	0	0	0	0	73
Kula	0	0	0	0	4	0	0	4	5	0	0	5	9
Subtotal Area	73	0	0	73	4	0	0	4	5	0	0	5	82
Islandwide	3,717	8	2	3,723	4,577	6	1	4,582	596	0	0	596	8,901
TOTAL MAUI APPS	3,790	8	2	3,796	4,581	6	1	4,586	601	0	0	601	8,983
HAWAII DISTRICT													
Keaukaha/Waiakea	72	0	0	72	0	0	0	0	1	0	0	1	73
Panaewa	0	0	0	0	15	0	0	15	0	0	0	0	15
Humuula	0	0	0	0	0	0	0	0	0	0	0	0	0
Kawaihae	19	0	0	19	0	0	0	0	0	0	0	0	19
Waimea	44	0	0	44	0	0	0	0	61	0	0	61	105
Subtotal Area	135	0	0	135	15	0	0	15	62	0	0	62	212
Islandwide	5,646	2	2	5,646	7,052	6	0	7,058	1,845	2	0	1,847	14,551
TOTAL HAWAII APPS	5,781	2	2	5,781	7,067	6	0	7,073	1,907	2	0	1,909	14,763
KAUAI DISTRICT													
Anahola	48	0	0	48	3	0	0	3	21	0	0	21	72
Kekaha/Puu Opae	8	0	0	8	0	0	0	0	8	0	0	8	16
Subtotal Area	56	0	0	56	3	0	0	3	29	0	0	29	88
Islandwide	1,598	4	1	1,601	2,201	0	0	2,201	293	0	0	293	4,095
TOTAL KAUAI APPS	1,654	4	1	1,657	2,204	0	0	2,204	322	0	0	322	4,183
MOLOKAI DISTRICT													
Kalamaula	4	0	0	4	0	0	0	0	0	0	0	0	4
Hoolehua	7	0	0	7	19	0	0	19	1	0	0	1	27
Kapaakea	8	0	0	8	0	0	0	0	0	0	0	0	8
One Alii	1	0	0	1	0	0	0	0	0	0	0	0	1
Subtotal Area	20	0	0	20	19	0	0	19	1	0	0	1	40
Islandwide	778	1	1	778	1,033	1	0	1,034	196	0	0	196	2,008
TOTAL MOLOKAI APPS	798	1	1	798	1,052	1	0	1,053	197	0	0	197	2,048
LANAI DISTRICT													
Islandwide	84	0	0	84	0	0	0	0	0	0	0	0	84
TOTAL LANAI APPS	84	0	0	84	0	0	0	0	0	0	0	0	84
TOTAL AREA ONLY	1,299	0	0	1,299	44	0	0	44	97	0	0	97	1,440
TOTAL ISLANDWIDE	21,319	29	11	21,337	18,462	15	2	18,475	2,930	2	0	2,932	42,744
TOTAL STATEWIDE	22,618	29	11	22,636	18,506	15	2	18,519	3,027	2	0	3,029	44,184

DELINQUENCY REPORT - STATEWIDE
January 23, 2017
(\$Thousands)

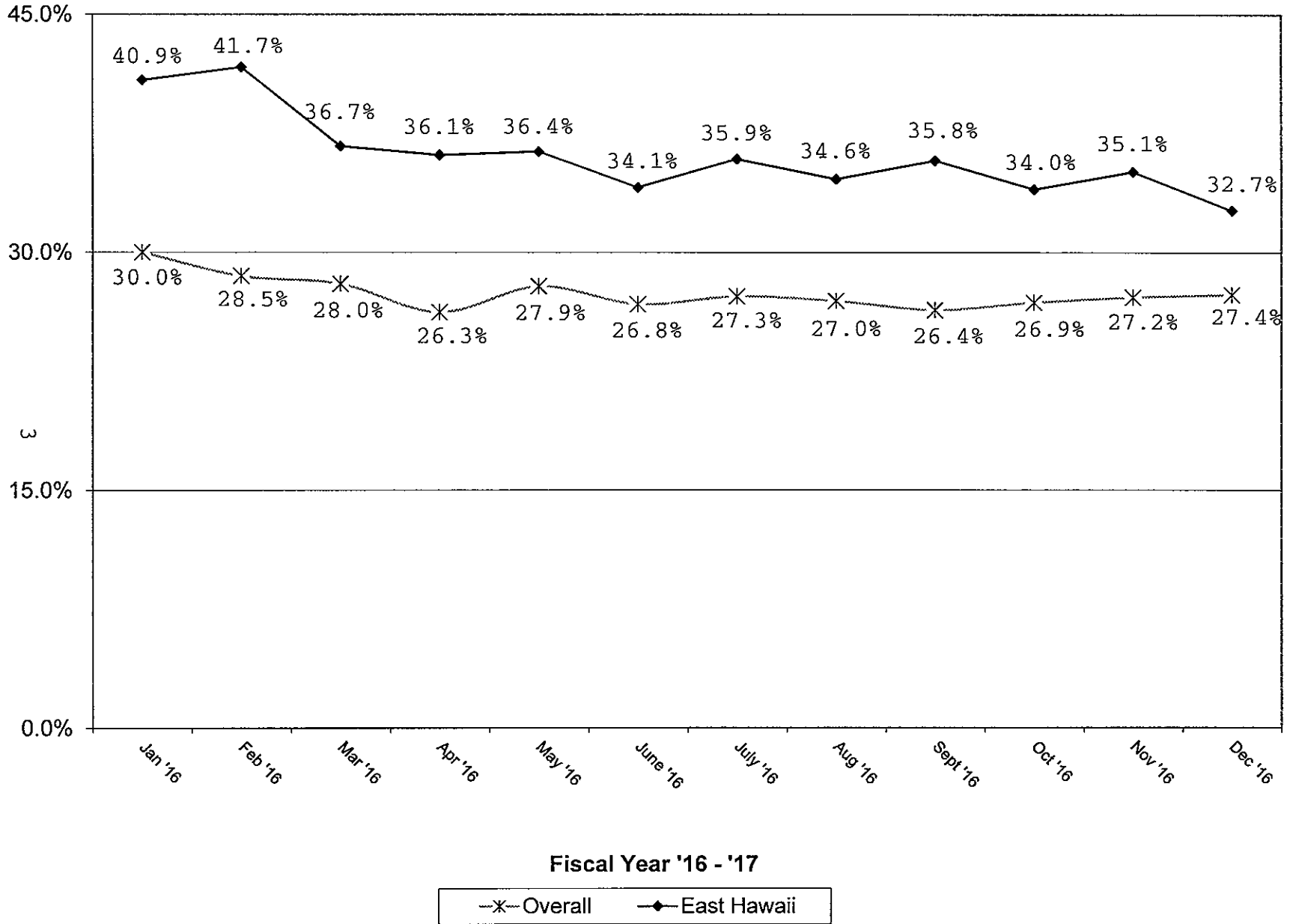
	Total Outstanding		Total Delinquency		30 Days (low)		60 Days (Medium)		R I S K 90 Days (High)		180 Days (Severe)		% of Totals 12/31/2016	
	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	(000s) Amt.	No.	\$
<u>DIRECT LOANS</u>														
OAHU	384	29,641	93	9,334	13	1,364	10	929	15	1,331	55	5,710	24.2%	31.5%
EAST HAWAII	231	13,787	73	4,505	9	326	3	128	7	221	54	3,830	31.6%	32.7%
WEST HAWAII	66	5,688	13	863	3	239	0	0	2	259	8	364	19.7%	15.2%
MOLOKAI	79	4,053	21	648	3	51	2	53	4	98	12	445	26.6%	16.0%
KAUAI	104	7,382	22	1,657	8	736	3	63	3	227	8	630	21.2%	22.4%
MAUI	<u>77</u>	<u>6,902</u>	<u>16</u>	<u>1,450</u>	<u>3</u>	<u>172</u>	<u>2</u>	<u>149</u>	<u>4</u>	<u>292</u>	<u>7</u>	<u>837</u>	<u>20.8%</u>	<u>21.0%</u>
TOTAL DIRECT	941	67,451	238	18,457	39	2,890	20	1,322	35	2,428	144	11,816	25.3%	27.4%
	100.0%	100.0%	25.3%	27.4%	4.1%	4.3%	2.1%	2.0%	3.7%	3.6%	15.3%	17.5%		
Advances (including RPT)	258	8,289	258	8,289	0	0	0	0	258	8,289			100%	100%
DHHL LOANS & Advances	1,199	75,740	496	26,745	39	2,890	20	1,322	293	10,716	144	11,816	41.4%	35.3%
<u>LOAN GUARANTEES as of June 30, 2016</u>														
SBA	1	112	0	0	0	0	0	0	0	0			0.0%	0.0%
USDA-RD	321	43,178	55	7,541	0	0	0	0	55	7,541			17.1%	17.5%
Habitat for Humanity	70	3,272	17	1,142	0	0	0	0	17	1,142			24.3%	34.9%
Maui County	5	74	0	0	0	0	0	0	0	0			0.0%	0.0%
Nanakuli NHS	1	7	1	7	0	0	0	0	1	7			100.0%	100.0%
City & County	24	367	10	230	0	0	0	0	10	230			41.7%	62.7%
FHA Interim	8	606	0	0	0	0	0	0	0	0			0.0%	0.0%
OHA	88	987	5	47	0	0	0	0	5	47			5.7%	4.8%
TOTAL GUARANTEE	<u>518</u>	<u>48,603</u>	<u>88</u>	<u>8,967</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>88</u>	<u>8,967</u>			<u>17.0%</u>	<u>18.4%</u>
PMI Loans	260	46,841	32	7,257	3	631	0	0	29	6,626			12.3%	15.5%
HUD REASSIGNED for Recovery	142	18,989	118	17,445	1	53	0	0	3	178	114	17,214	83.1%	91.9%
FHA Insured Loans	<u>2,812</u>	<u>419,600</u>	<u>267</u>	<u>31,827</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>267</u>	<u>31,827</u>			<u>9.5%</u>	<u>7.6%</u>
TOTAL INS. LOANS	<u>3,214</u>	<u>485,430</u>	<u>417</u>	<u>56,529</u>	<u>4</u>	<u>684</u>	<u>0</u>	<u>0</u>	<u>299</u>	<u>38,631</u>	<u>114</u>	<u>17,214</u>	<u>13.0%</u>	<u>11.6%</u>
OVERALL TOTALS(EXC Adv/RP)	4,673	601,484	743	83,953	43	3,574	20	1,322	422	50,026	258	29,030	15.9%	14.0%
ADJUSTED TOTALS	4,931	609,773	1,001	92,241	43	3,574	20	1,322	680	58,314	258	29,030		15.1%

Note: HUD 184A loan program has 397 loans, with a total outstanding principal balance of \$89,846,988.26 as of June 30, 2016. 11 loans, totalling \$5,020,610.90, are delinquent.

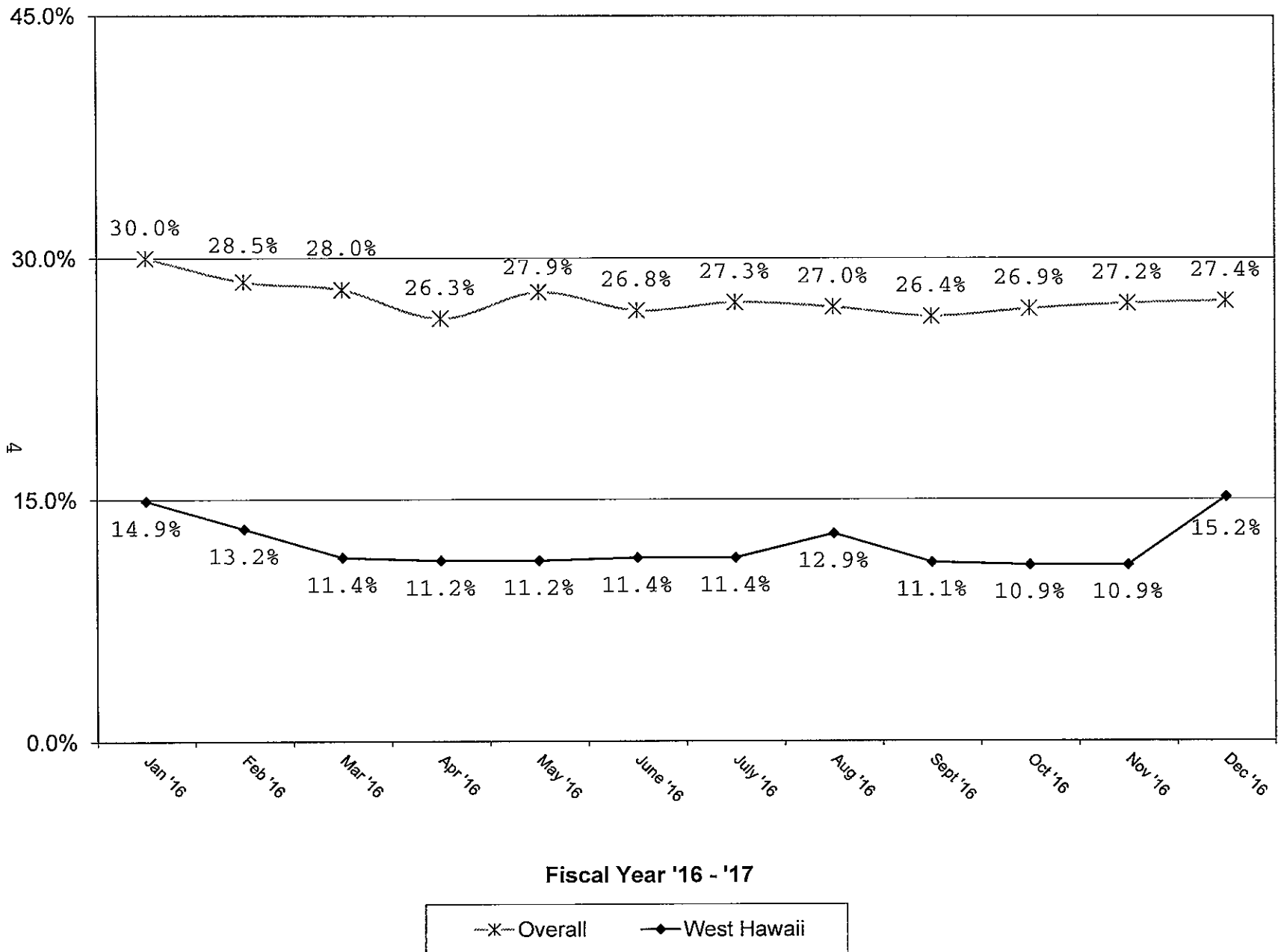
OAHU Direct Loans Delinquency Ratio Report



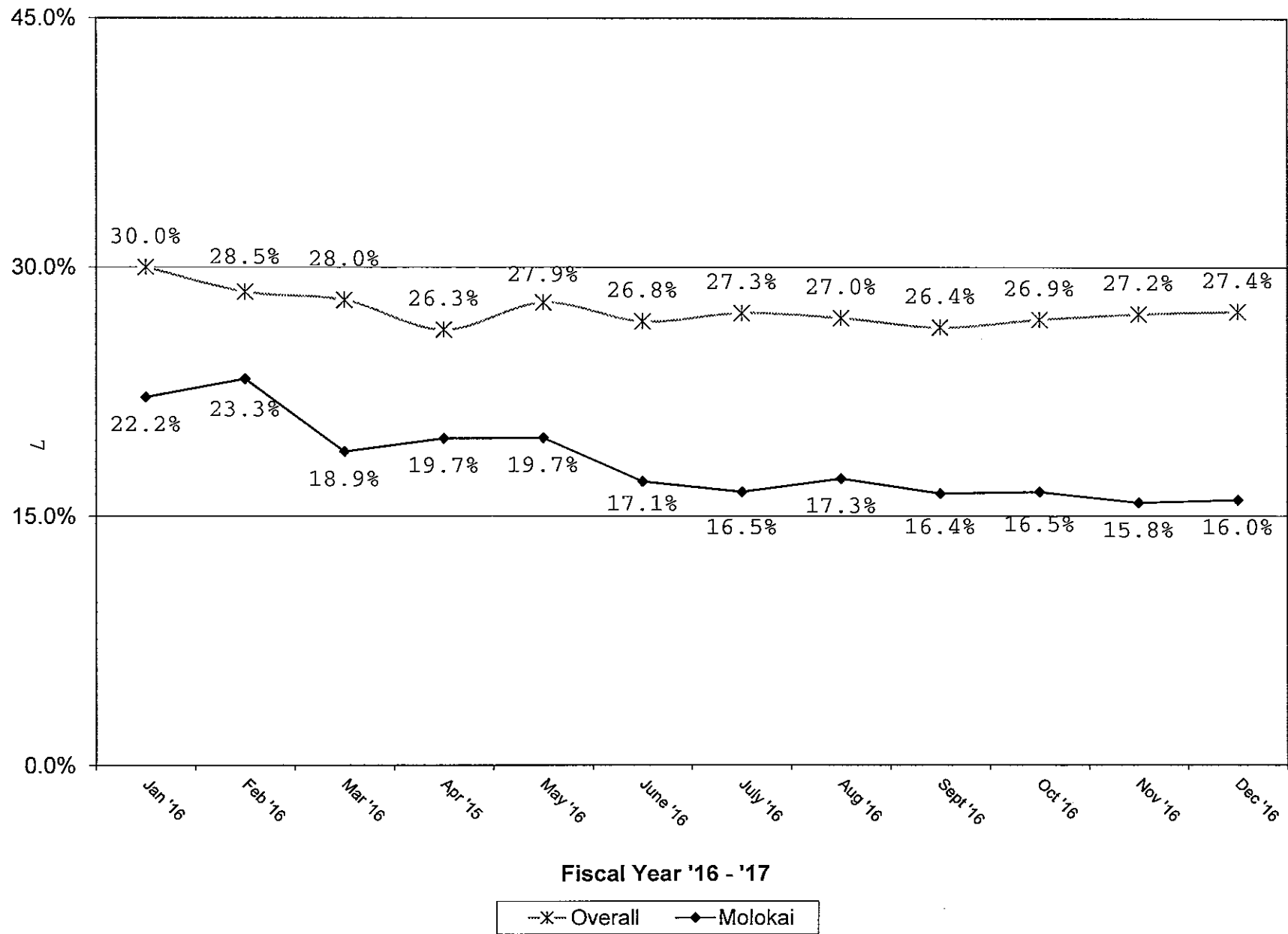
EAST HAWAII **Direct Loans** **Delinquency Ratio Report**



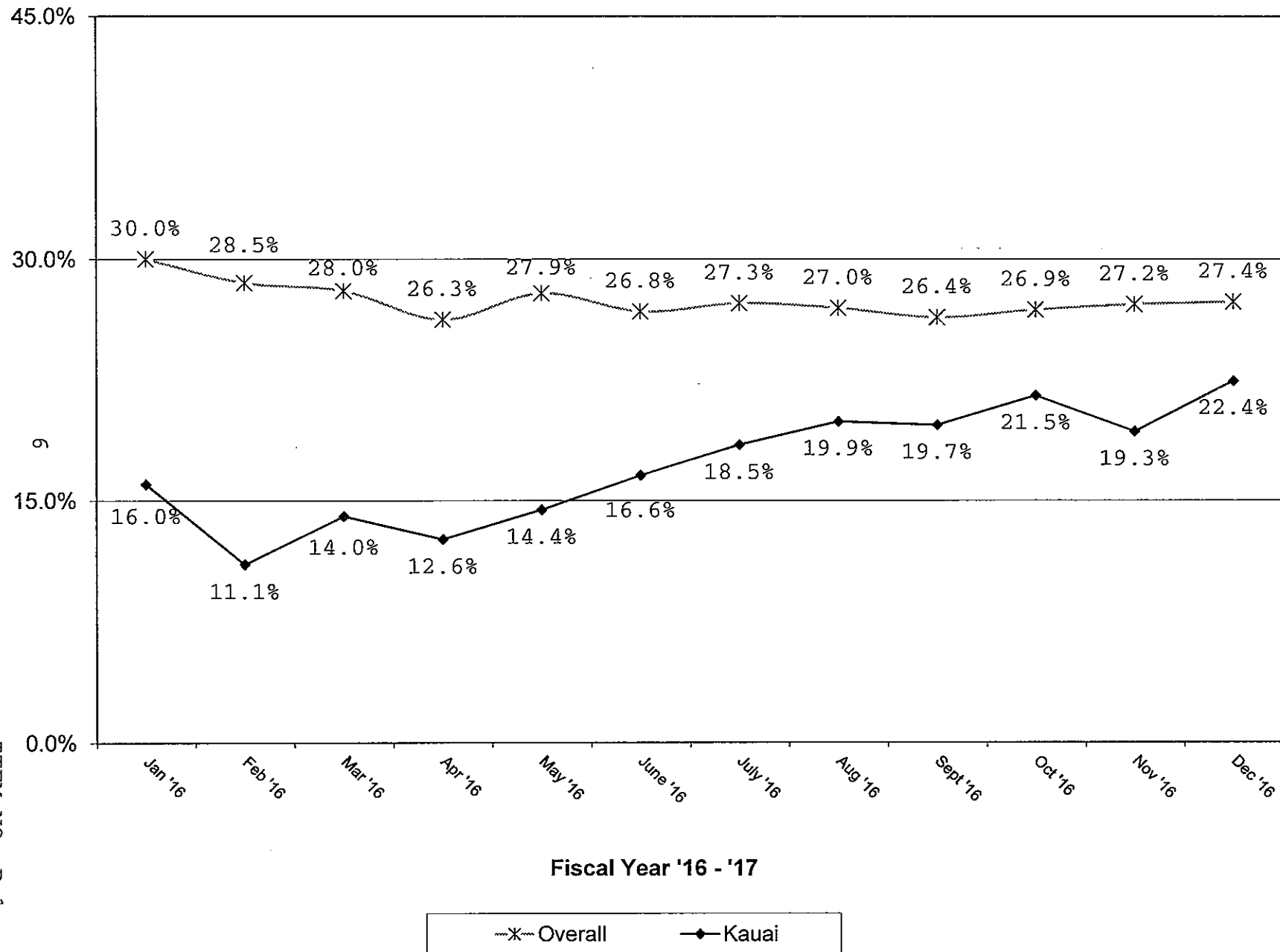
WEST HAWAII Direct Loans Delinquency Ratio Report



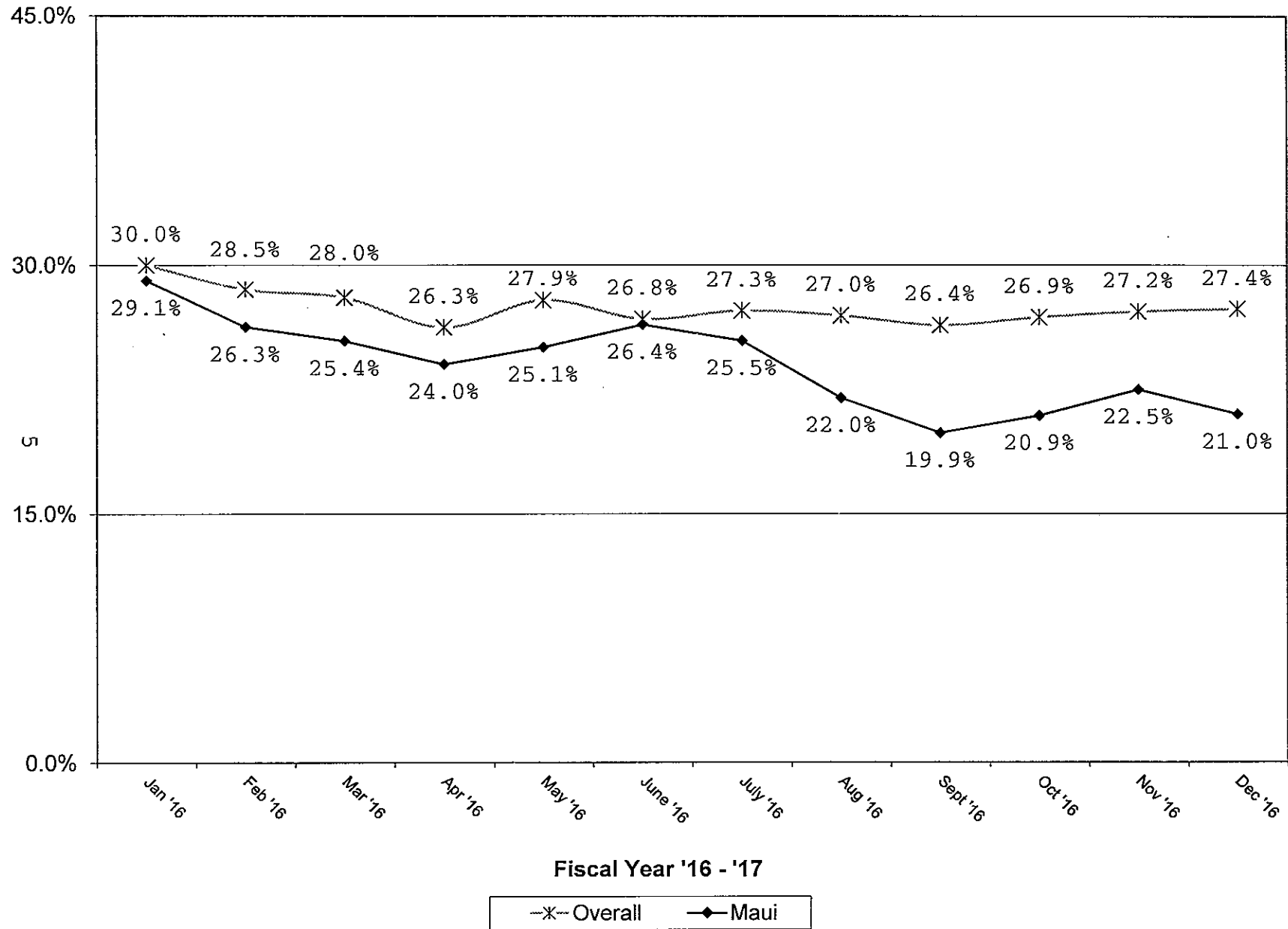
MOLOKAI
Direct Loans
Delinquency Ratio Report



KAUAI Direct Loans Delinquency Ratio Report



MAUI
Direct Loans
Delinquency Ratio Report



January 23, 2017

SUBJECT: **DHHL Guarantees for FHA Construction Loans**

DISCUSSION: The Department issues guarantees to FHA lenders during the construction period of a home, as FHA does not insure the loan until the home is completed. The loan term for these loans do not exceed fifteen (15) months from the date of loan signing. The following FHA Interim Construction loans were issued guarantees:

*Note: FHA loans are insured by the U.S. Department of Housing and Urban Development (HUD) and do not impact the State's guaranty ceiling.

<u>LEASE NO.</u>	<u>AREA</u>	<u>LESSEE</u>	<u>Loan Amount</u>	<u>Date Approved</u>
6652	Waianae	Kailikea, Shaun M.L.	\$360,523	12/9/16
658	Papakolea	Lee, Rashelle	\$274,549	12/30/16


	<u>No.</u>	<u>Balance</u>
FY Ending 6/30/16	6	\$ 1,093,282
Previous Months	3	\$ 901,787
This Month	<u>2</u>	<u>635,072</u>
FY '16-'17 to date	5	\$ 1,536,859

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator 
Homestead Services Division

SUBJECT: Loan Interest Rate Policy

RECOMMENDED MOTION/ACTION

For information only.

DISCUSSION

On November 19, 2012, the Hawaiian Homes Commission (HHC) approved an action:

1) To amend the February 28, 1995 interest rate policy established for the Hawaiian Home General Loan Fund (HHGLF) from 1% below the annual interest rate set by Rural Economic and Community Development (RECD) to a floor of not less than 4.5%.

2) To replace RECD with the United States Department of Agriculture - Rural Development (RD), and the annual rate shall be adjusted as of the first working day of each calendar year.

Previous to the approval granted on November 19, 2012, the Department of Hawaiian Homes Lands (DHHL) staff relied on a February, 28, 1995, submittal approved by the HHC in which the interest rate policy that tied the department's HHGLF interest rate to RECD'S prevailing rate with a floor of 6%. At the time, the RECD rate was 8-3/4% and declining. The action was taken to assist beneficiaries with more affordable payments but did not allow the rate to drop below 6%.

On August 19, 2013, the HHC approved a streamline refinance product to assist borrowers to lower their interest rate provided that they met the requirements to refinance. This product was only to reduce the interest rate and possibly re-amortize the loan. Since then, the Loan Services Branch has refinanced over 100 direct loans with this product. DHHL's interest income from its direct loans have decreased from \$3.7 million in fiscal year 2012 to \$3.2 million in the fiscal year ended June 30, 2016.

As of January 1, 2017, the interest rate as set by RD for their "Single Family Housing Direct Loan Program" was 3.25%. As such, the interest rate of DHHL issued direct loans shall remain at the floor previously established by the HHC at 4.5%. It should also be noted that DHHL does not charge any fees other than those assessed for credit reports which range from \$10 to \$36 depending on the type of report and whether it's for a single individual or for joint borrowers.

Although mortgage interest rates have remained relatively low, there is anticipation that the rate will increase in this calendar year. The Honolulu Board of Realtors rate survey as of December 28, 2016 reflected the current markets rate range from a low of 3.625% with 2.5% points to a high of 4.125% with 1% point for thirty (30) year loans. These rates are primarily applicable to tier "A" customers or those whom the financial institutions consider their best customers and those with the lowest default risk. Most of the loans in DHHL's portfolio consists of borrowers who could not obtain private financing or whose loans were re-assigned to DHHL due to delinquency issues.

This submittal is being prepared for information only as there is no recommendation to change any interest rates for the 2017 calendar year and to remain at the floor as approved by the HHC at its' November 19, 2012 meeting.

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator
Homestead Services Division

SUBJECT: **Approval of Consent to Mortgage**

RECOMMENDED MOTION/ACTION

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

DISCUSSION

<u>PROPERTY</u>	<u>LESSEE</u>	<u>LENDER</u>	<u>LOAN AMOUNT</u>
<u>OAHU</u>			
Princess Kahanu Estate Lease No. 8334 TMK: 1-8-7-042:043	AKEN, Elwood K. (Purchase)VA	Department of Veterans Affairs	\$ 375,000
Waianae Lease No. 4476 TMK: 1-8-5-030:115	KEOLANUI, Gilbert S. D. K. R. (Purchase)USDA, RD	Guild Mortgage Co.	\$ 204,000
Hoolimalima Lease No. 12772 TMK: 1-9-1-119:112	UYENO, Sharleen(Purchase) USDA, RD	HomeStreet Bank	\$ 64,000
Kanehili Lease No. 12619 TMK: 1-9-1-152:062	CADIZ, Chanelle(Cash Out Refi)HUD 184A	HomeStreet Bank	\$ 374,306

OAHU

Kewalo Lease No. 2762 TMK: 1-2-5-021:044	AKAU, Nathan C. & AKAU, Marleen L. (Cash Out Refi)HUD 184A	HomeStreet Bank	\$ 547,723
Waimanalo Lease No. 679A TMK: 1-4-1-017:029	LEE, Allison N.(Cash Out Refi)HUD 184A	HomeStreet Bank	\$ 106,050
Hoolimalima Lease No. 12771 TMK: 1-9-1-119:091	ENRIQUEZ, Graen A., Jr. (Purchase)HUD 184A	HomeStreet Bank	\$ 63,000
Kumuhau Lease No. 11224 TMK: 1-4-1-040:034	SALAZAR, Jamie(Purchase)FHA	HomeStreet Bank	\$ 325,542
Nanakuli Lease No. 7384 TMK: 1-8-9-016:108	KENUI, Elizabeth K.(Cash Out Refi)FHA	HomeStreet Bank	\$ 190,464
Kaupea Lease No. 12016 TMK: 1-9-1-139:025	SANG, Lynette K.(Cash Out Refi)FHA	HomeStreet Bank	\$ 298,944
Waimanalo Lease No. 9686 TMK: 1-4-1-036:008	KEANU, Tami-Sue K.(Cash Out Refi)FHA	Hightechlend ing Inc.	\$ 232,000
Maluohai Lease No. 9787 TMK: 1-9-1-119:039	WALLACE, Roland K., Jr. (Purchase)FHA	HomeStreet Bank	\$ 375,626
Kaupea Lease No. 12121 TMK: 1-9-1-140:030	FURTADO, George B.(Rate & Term Refi)FHA	Hightechlend ing Inc.	\$ 244,000

ITEM NO. D-3

Hoolimalima	ANDRADE,	HomeStreet	\$ 75,000
Lease No. 12773	Noe K. (Purchase) FHA	Bank	
TMK: 1-9-1-119:100			

Hoolimalima	CARVALHO-YUEN,	HomeStreet	\$ 77,000
Lease No. 12774	Victoria K.	Bank	
TMK: 1-9-1-120:081	(Purchase) FHA		

Hoolimalima	WESSEL,	HomeStreet	\$ 75,000
Lease No. 12775	Richard E. K.	Bank	
TMK: 1-9-1-119:114	(Purchase) FHA		

Hoolimalima	CUI,	HomeStreet	\$ 72,000
Lease No. 12770	Hanah D.	Bank	
TMK: 1-9-1-120:098	(Purchase) FHA		

MOLOKAI

Kalamaula	NAEOLE,	Bank of	\$ 116,150
Lease No. 3295	Brian R. (Cash Out	Hawaii	
TMK: 2-5-2-008:035	Refi) HUD 184A		

Hoolehua	DEPONTE,	HomeStreet	\$ 160,267
Lease No. 115	Douglas J.	Bank	
TMK: 2-5-2-007:009	(Purchase) FHA		

MAUI

Paukukalo	HUE,	Mann	\$ 153,000
Lease No. 5423	Lynn M.	Mortgage,	
TMK: 2-3-3-006:046	(Purchase) FHA	LLC	

HAWAII

Puukapu	SANCHEZ,	Golden	\$ 326,000
Lease No. 3392A	Bonnie Jay (Cash Out	Empire	
TMK: 3-6-4-004:055	Refi) FHA	Mortgage	

HAWAII

Kaniohale
Lease No. 9324
TMK: 3-7-4-023:011

MCCOMBER,
Neal P.
(Purchase) USDA, RD

Siwell Inc., \$ 300,000
dba Capital
Mortgage
Services of
Texas

Lalamilo
Lease No. 12525
TMK: 3-6-6-012:005

LAU,
Theresa (Cash Out
Refi) FHA

HomeStreet \$ 210,584
Bank

Panaewa
Lease No. 11170
TMK: 3-2-2-064:030

JUDD,
Zachary
(Purchase) FHA

HomeStreet \$ 104,637
Bank

<u>RECAP</u>	<u>NO.</u>	<u>FHA</u> <u>AMOUNT</u>	<u>NO.</u>	<u>VA</u> <u>AMOUNT</u>	<u>NO.</u>	<u>USDA-RD</u> <u>AMOUNT</u>
FY Ending 6/30/16	302	\$ 70,937,245	5	\$1,474,938	12	\$3,377,277
Prior Months	129	\$ 31,645,360	6	\$1,256,043	2	\$ 274,000
This Month	<u>15</u>	<u>2,920,064</u>	<u>1</u>	<u>375,000</u>	<u>3</u>	<u>568,000</u>
Total FY '16-'17	144	\$ 34,565,424	7	\$1,631,043	5	\$ 842,000
HUD 184A						
FY Ending 6/30/16	86	\$ 21,900,651				
Prior Months	49	\$ 11,464,789				
This Month	<u>5</u>	<u>1,207,229</u>				
Total FY '16-'17	54	\$ 12,672,018				


ITEM NO. D-3

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

FROM: Dean Oshiro, Acting HSD Administrator 
Homestead Services Division

SUBJECT: **Approval to Schedule Loan Delinquency Contested Case Hearings**

RECOMMENDED MOTION/ACTION

To authorize the scheduling of the following loan delinquency contested case hearings as shown below.

DISCUSSION

The department has been working to resolve the problem of loan delinquencies. The past due delinquent loan status with lessees continues to be a problem for the department; therefore, we recommend that contested case hearings be scheduled:

<u>Lessee</u>	<u>Lease No.</u>	<u>Area</u>	<u>Loan No.</u>	<u>Monthly Payment</u>	<u>Amount at 12/16</u>	<u>Balance At 12/16</u>
<u>Kauai</u>						
Saffery-Samio, Valerie Ann K.	10202	Anahola	18383	\$537	\$7,906	\$88,396
<u>Oahu</u>						
Travis, Corrina L.	16954	Kaupea	TBD - ASB Buyback	TBD	TBD	TBD
McBrayer, Timothy K.	11368	Kaupea	TBD - ASB Buyback	TBD	TBD	TBD
Ayau, Edwin L.A.	17092	Kaupea	TBD - ASB Buyback	TBD	TBD	TBD
Brown, Bruce L.	12034	Kaupea	TBD - ASB Buyback	TBD	TBD	TBD

<u>Lessee</u>	<u>Lease No.</u>	<u>Area</u>	<u>Loan No.</u>	<u>Monthly Payment</u>	<u>Amount at 12/16</u>	<u>Balance At 12/16</u>
<u>Mau</u>						
Tuaoa, Shaela M.K.L.	12217	WK-IV	TBD - ASB Buyback	TBD	TBD	TBD
Lani-Montira, Melissa L.P.	9849	WK-III	TBD - ASB Buyback	TBD	TBD	TBD
Tavares, Nathan W.	7554	Waiohuli	TBD - ASB Buyback	TBD	TBD	TBD
Nasilai, Yolanda E.	11542	Leialii	TBD - ASB Buyback	TBD	TBD	TBD
Kaalakea, David S.K.	12231	WK-IV	TBD - ASB Buyback	TBD	TBD	TBD
Kuia, Jaime L.L.	7741	Waiohuli	TBD - ASB Buyback	TBD	TBD	TBD
Ross, Jessica K.	11475	Leialii	TBD - ASB Buyback	TBD	TBD	TBD
Kalehuawehe, Audiewon	12251	WK-IV	TBD - ASB Buyback	TBD	TBD	TBD
Hoe, Alan W.	12192	WK-IV	TBD - ASB Buyback	TBD	TBD	TBD
Clark, Gaylane K.	7627	Waiohuli	TBD - ASB Buyback	TBD	TBD	TBD
Carino, Michelle K.L.	7636	Waiohuli	TBD - ASB Buyback	TBD	TBD	TBD
<u>Hawaii</u>						
Ibana, Shawn. K.	6187	Puukapu	TBD - ASB Buyback	TBD	TBD	TBD

ITEM NO. D-4

<u>Lessee</u>	<u>Lease No.</u>	<u>Area</u>	<u>Loan No.</u>	<u>Monthly Payment</u>	<u>Amount at 12/16</u>	<u>Balance At 12/16</u>
<u>Hawaii (cont'd)</u>						
Tufaga, Jade P.L.	4929	Kuhio Village	TBD - ASB Buyback	TBD	TBD	TBD
Magbanua, Momi L.	9266	Kaniohale	TBD - ASB Buyback	TBD	TBD	TBD

ITEM NO. D-4

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission
THROUGH: Dean T. Oshiro, Acting HSD Administrator
FROM: Ross K. Kapeliela, Application Officer
Homestead Services Division

SUBJECT: **Approval of Homestead Application Transfers/Cancellations**

RECOMMENDED MOTION/ACTION

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

DISCUSSION

1. Requests of Applicants to Transfer

MAUI ISLANDWIDE AGRICULTURAL LEASE LIST

KEKAHUNA, Primrose L.	09/28/2010	MOLOKAI	PAS	09/06/2016
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MAUI ISLANDWIDE RESIDENTIAL LEASE LIST

BUENDIA, June L.M.	06/19/2006	HAWAII	RES	08/22/2016
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HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

BECK, William L., Jr.	03/11/1998	OAHU	RES	08/08/2016
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KAUAI ISLANDWIDE RESIDENTIAL LEASE LIST

WAKUTA, Pamela W.	01/14/1997	MOLOKAI	RES	08/18/2016
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2. Deceased Applicants

NONE FOR SUBMITTAL

3. Awards of Leases

OAHU ISLANDWIDE RESIDENTIAL LEASE LIST

CHAI, Buffee W.	Assigned Residential Lease #8598, Lot 11 in Nanakuli, Oahu dated 03/22/2011. Remove application dated 07/11/2003.
GRAMBERG, William H.	Assigned Residential Lease #11248, UNDV050 in Waimanalo, Oahu dated 11/28/2016. Remove application dated 10/19/2007.
KAHUNAHANA, Deanedra	Assigned Residential Lease #8790, Lot 26 in Waimanalo, Oahu dated 10/20/2016. Remove application dated 01/08/2013.
KANUI, John	Assigned Residential Lease #3250, Lot 235B in Nanakuli, Oahu dated 11/16/2016. Remove application dated 03/25/1996.
SALAUUSA, Crystal M.	Assigned Residential Lease #8598, Lot 11 in Nanakuli, Oahu dated 03/22/2011. Remove application dated 07/11/2003.
WILLING, Alberta L.	Assigned Residential Lease #4865, Lot 14 in Nanakuli, Oahu dated 11/29/2016. Remove application dated 09/08/2006.
WILLING, Eleanor L.	Assigned Residential Lease #4865, Lot 14 in Nanakuli, Oahu dated 11/29/2016. Remove application dated 09/08/2006.
WILLING, William K.	Assigned Residential Lease #4865, Lot 14 in Nanakuli, Oahu dated 11/29/2016. Remove application dated 12/16/1985.

HAWAII ISLANDWIDE AGRICULTURAL LEASE LIST

KAAUMOANA, Lillian P.	Assigned Agricultural Lease #6881, Lot 12 in Panaewa, Hawaii dated 12/06/2016. Remove application dated 08/22/2007.
SIMMONS, Lisa Gay	Assigned Agricultural Lease #6881, Lot 12 in Panaewa, Hawaii dated 12/06/2016. Remove application dated 08/02/2013.

WAIMEA AREA / HAWAII ISLANDWIDE PASTORAL LEASE LIST

KIHM, Leinaala M.	Assigned Pastoral Lease #12811, Lot 16A in Puukapu, Waimea, Hawaii dated 12/13/2016. Remove application dated 06/11/1952.
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HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

AZEVEDO, Edna H.	Assigned Residential Lease #953, Lot 10 in Keaukaha, Hawaii dated 07/15/2016. Remove application dated 04/17/2006.
KAHOONEI, Gregory J.K.	Assigned Residential Lease #1931, Lot 151 in Nanakuli, Oahu dated 11/16/2016. Remove application dated 11/19/1985.
REINHARDT, Reginald S.	Assigned Residential Lease #10839, Lot 94 in Laiopua, Hawaii dated 10/31/2016. Remove application dated 12/21/2005.

4. Native Hawaiian Qualification

NONE FOR SUBMITTAL

5. Voluntary Cancellation

HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

LAMANNA, Lavonne A.H.	Cancel application dated 07/10/2002, at the request of applicant dated 12/01/2016.
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KAUAI ISLANDWIDE AGRICULTURAL LEASE LIST

MOONIHOAWA, Zena K.	Cancel application dated 09/14/1990, at the request of applicant dated 12/07/2016.
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KAUAI ISLANDWIDE RESIDENTIAL LEASE LIST

AKITA, Norman	Cancel application dated 08/22/2005, at request of applicant dated 12/01/2016.
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MOONIHOAWA, Zena K.	Cancel application dated 09/14/1990, at request of applicant dated 12/07/2016.
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6. Successorship

HAWAII ISLANDWIDE AGRICULTURAL LEASE LIST

ALEXANDER, Sharon H.	Succeeded to 10/27/1987 Hawaii Islandwide Agricultural application of mother, Nancy P. Zalopany. Remove application dated 08/11/1992.
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HAWAII ISLANDWIDE RESIDENTIAL LEASE LIST

KERR, Rachel M.P.	Succeeded to 10/18/1962 Waimanalo Area / Oahu Islandwide Residential application of brother, Melvin K. Liu. Remove application dated 03/27/2013.
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KAUAI ISLANDWIDE AGRICULTURAL LEASE LIST

IBAAN, Kathleen M.

Succeeded to 03/04/1986 Kauai
Islandwide Agricultural
application of father, John K.
Kaauwai, Sr. Remove
application dated 01/26/1987.

7. Additional Acreage

NONE FOR SUBMITTAL

8. HHC Adjustments

NONE FOR SUBMITTAL

Last Month's Transaction Total	13
Last Month's Cumulative FY 2015-2016 Transaction Total	113
Transfers from Island to Island	4
Deceased	0
Cancellations:	
Awards of Leases	14
NHQ	0
Voluntary Cancellations	4
Successorship	3
Additional Acreage	0
HHC Adjustments	0
This Month's Transaction Total	25
This Month's Cumulative FY 2016-2017 Transaction Total	138

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean T. Oshiro, Acting HSD Administrator

FROM: Ross K. Kapeliela, Applications Officer
Homestead Services Division

SUBJECT: **Commission Designation of Successors to Application Rights - Public Notice 2015**

RECOMMENDED MOTION/ACTION

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

DISCUSSION

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

1. Deceased Applicant:	John K. Kaauwai Sr.
Date of death:	July 08, 2015
Successor to application rights	Kathleen M. Ibaan
Relationship to decedent:	Child
Island:	Kauai Islandwide
Type:	Agricultural
Date of Application:	March 04, 1986
Date of Public Notice:	November, 2015

2.Deceased Applicant: Melvin K. Liu
 Date of death: March 30, 2013
 Successor to application rights Rachel M.P. Kerr
 Relationship to decedent: Sibling
 Island: Waimanalo Area / Oahu IW
 Type: Residential
 Date of Application: October 18, 1962
 Date of Public Notice: November, 2015


3.Deceased Applicant: Nancy P. Zalopany
 Date of death: October 31, 2012
 Successor to application rights Sharon H. Alexander
 Relationship to decedent: Child
 Island: Hawaii Islandwide
 Type: Agricultural
 Date of Application: October 27, 1987
 Date of Public Notice: November, 2015

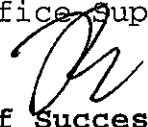
Previous Cumulative Total for Current FY	26
Current Month's Total	3
Fiscal Year Total: July 2016-June 2017	29

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting HSD Administrator 
Homestead Services Division

FROM: Juan Garcia, Oahu District Office Supervisor 
Homestead Services Division

SUBJECT: **Ratification of Designation of Successors to Leasehold
Interest and Designation of Persons to Receive the Net
Proceeds**

RECOMMENDED MOTION/ACTION

To ratify the approval of the designation of successor to the leasehold interest and person to receive the net proceeds, pursuant to Section 209, Hawaiian Homes Commission Act, 1920, as amended. This designation was previously approved by the Chairman.

*See attached list of Lessee.

Leasehold Interest:

Ratified for December 2016	6
Previous FY 2016 - 2017	<u>46</u>
FY 2016 - 2017 Total to Date	52

Ratified for FY '15 - '16	90
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Net Proceeds

Ratified for December 2016	0
Previous FY 2016 - 2017	<u>0</u>
FY 2016 - 2017 Total to Date	0

Ratified for FY '15 - '16	2
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**LIST OF LESSEES WHO DESIGNATED SUCCESSORS TO THEIR
LEASEHOLD INTEREST
FOR MONTH OF January 2017**

<u>Deceased Lessee</u>	<u>Designated Successor</u>
1. Genevieve H. Awong Lot No.: 177B Area: Nanakuli, Oahu Lease No. 1687	<u>PRIMARY: Joint Tenancy</u> Gilmore K. Awong, Husband Logan K.K. Awong, Son <u>ALTERNATE:</u> N/A <u>DESIGNEE TO RECEIVE NET PROCEEDS:</u> N/A
2. Paul K. Iopa Lot No.: 8 Area: Waiakea, Hawaii Lease No. 9082	<u>PRIMARY:</u> Ivan K. Iopa, Son <u>ALTERNATE:</u> N/A <u>DESIGNEE TO RECEIVE NET PROCEEDS:</u> N/A
3. Claudetta K. Mahuka Lot No.: 40 Area: Nanakuli, Oahu Lease No. 5137	<u>PRIMARY:</u> Eyvette K. Mahuka, Daughter <u>ALTERNATE:</u> N/A <u>DESIGNEE TO RECEIVE NET PROCEEDS:</u> N/A

Deceased Lessee

Designated Successor

4. Joseph P. Manini, Sr.
Lot No.: 1,2,5
Area: Puu Opae, Kauai
Lease No. 3878

PRIMARY: Joint Tenancy
Beverly A. Manini, Wife
Eben K. Manini, Son
Bonnyjean Manini, Daughter

ALTERNATE: Tenancy in Common
Elwood K. Manini, Son
Erna K. Kamibayashi, Daughter
Joseph P. Manini, Jr., Son
Yvonne U. Keoho, Daughter
Clorinda M. Manini, Daughter

DESIGNEE TO RECEIVE NET PROCEEDS:
Joshua Manini, Grandson
Kayla M.L. Manini, Granddaughter
Jasen L. Kamibayashi, Grandson

5. Matthias Shepherd
Lot No.: 11
Area: Waiakea, Hawaii
Lease No. 8115

PRIMARY:
Rose Shepherd, Wife

ALTERNATE:
N/A

DESIGNEE TO RECEIVE NET PROCEEDS:
N/A

6. Ruby L. Silva
Lot No.: 90
Area: Waianae, Oahu
Lease No. 10267

PRIMARY:
Bonny J. Silva, Daughter

ALTERNATE:
N/A


DESIGNEE TO RECEIVE NET PROCEEDS:
N/A


STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting HSD Administrator 
Homestead Services Division

FROM: Juan Garcia, Oahu District Office Supervisor 
Homestead Services Division

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

RECOMMENDED MOTION/ACTION

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

DISCUSSION

Fifteen (15) assignments of lease.

<u>LESSEE</u>	<u>TRANSFeree</u>
1. Name: Hidy K. Akina Res. Lease No.: 4504 Lease Date: 3/31/1978 Lot No.: 94 Area/Island: Nanakuli, Oahu Property Sold: Yes Amount: \$115,000 Improvements: 3 bedroom, 2 bath dwelling	Name: Steven Akina, Jr. Relationship: Brother Loan Assump: N/A Applicant: Yes, Oahu IW Res., 9/20/2001
Reason for Transfer: "Keep it in the family." Special Condition: Transferee to obtain funds to pay purchase price.	

LESSEETRANSFeree

2. Name: David K. K. Calles, Name: Darlene Puanani Calles
 Sr. Christian
 Res. Lease No.: 1560 Relationship: Daughter
 Lease Date: 9/25/1941 Loan Assump: N/A
 Lot No.: 19 Applicant: No
 Area/Island: Waiakea, Hawaii
 Property Sold: No
 Amount: N/A
 Improvements: 3 bedroom, 1 bath dwelling

Reason for Transfer: "Willingness to transfer to my daughter."

3. Name: Aaron K. Gacusana Name: Norman N. Keamo
 Res. Lease No.: 11300 Relationship: None
 Lease Date: 9/1/2006 Loan Assump: N/A
 Lot No.: 5 Applicant: Yes, Hawaii IW
 Area/Island: Kaumana, Hawaii Res., 2/24/2010
 Property Sold: Yes
 Amount: \$210,000
 Improvements: 3 bedroom, 2 bath dwelling

Reason for Transfer: "Moving to another area." Special
Condition: Transferee to obtain funds to payoff loan. See
Simultaneous transfer below.

4. Name: Norman N. Keamo Name: Heather K. Keamo
 Res. Lease No.: 11300 Relationship: Daughter
 Lease Date: 9/1/2006 Loan Assump: N/A
 Lot No.: 5 Applicant: No
 Area/Island: Kaumana, Hawaii
 Property Sold: Yes
 Amount: \$210,000
 Improvements: 3 bedroom, 2 bath dwelling

Reason for Transfer: "I'm transferring to my daughter
Heather." Special Condition: Transferee to obtain funds to
payoff loan.

LESSEETRANSFeree

5. Name: Jacqueline M. Hill
Res. Lease No.: 4821
Lease Date: 7/22/1978
Lot No.: 79
Area/Island: Kawaihae,
Hawaii
Property Sold: Yes
Amount: \$195,000
Improvements: 2 bedroom, 2 bath dwelling

Name: Winstanley M. K.
Fukumitsu
Relationship: None
Loan Assump: No
Applicant: Yes, Oahu IW Res.,
1/16/2008

Reason for Transfer: "Reason for transfer is due to lessee and spouse age and health condition. Lessee has declining health. Special Conditions: Transferee to obtain funds to pay purchase price.

6. Name: Glen K. Kahana
Res. Lease No.: 4866
Lease Date: 7/15/1978
Lot No.: 13
Area/Island: Nanakuli, Oahu
Property Sold: No
Amount: N/A
Improvements: 3 bedroom, 2 bath dwelling

Name: Pearl K.K. Pruett
Relationship: Sister
Loan Assump: No
Applicant: No

Reason for Transfer: "Lessee wants his sister to have the homestead as he does not reside there."

7. Name: Virginia M. Kapaku
Res. Lease No.: 3317
Lease Date: 8/5/1960
Lot No.: 166B
Area/Island: Nanakuli, Oahu
Property Sold: Yes
Amount: \$115,000
Improvements: 2 bedroom, 2 bath dwelling

Name: John P.K. Kaawa
Relationship: None
Loan Assump: N/A
Applicant: Yes, Oahu IW Res.,
12/8/2011

Reason for Transfer: "My husband and I will be under the care of our children residing on Hawaii island." Special Condition: Transferee to obtain funds to pay purchase price.

LESSEETRANSFeree

8. Name: Heather K. Keamo Name: Mykel H. Keamo
 Res. Lease No.: 1367 Relationship: Brother
 Lease Date: 11/7/1933 Loan Assump: N/A
 Lot No.: 2 Applicant: No
 Area/Island: Waiakea, Hawaii
 Property Sold: No
 Amount: N/A
 Improvements: 3 bedroom, 1 bath dwelling

Reason for Transfer: "I want my brother to have the family house."
9. Name: Brian K.K. Lee, Jr. Name: Keala K.K. Lee
 Res. Lease No.: 573 Relationship: Daughter
 Lease Date: 11/7/1933 Loan Assump: N/A
 Lot No.: 120 Applicant: No
 Area/Island: Nanakuli, Oahu
 Property Sold: No
 Amount: N/A
 Improvements: 4 bedroom, 1 bath dwelling

Reason for Transfer: "Transferring to my daughter."
10. Name: Nelanette U. Lee Name: Clayton K. Lee
 Res. Lease No.: 2136 Relationship: Son
 Lease Date: 6/29/1949 Loan Assump: N/A
 Lot No.: 9 Applicant: No
 Area/Island: Kewalo, Oahu
 Property Sold: No
 Amount: N/A
 Improvements: 3 bedroom, 1 bath dwelling

Reason for Transfer: "I am giving my son the homestead lease so he can have a home of his own for his family."

LESSEETRANSFeree

11. Name: Lambert H. Manuel Name: Jordan K. H. Manuel
 Res. Lease No.: 4463 Relationship: Son
 Lease Date: 10/11/1977 Loan Assump: No
 Lot No.: 56 Applicant: No
 Area/Island: Waianae, Oahu
 Property Sold: No
 Amount: N/A
 Improvements: 4 bedroom, 2 bath dwelling

 Reason for Transfer: "Son to have a home for his family."
12. Name: Renita L. Ortiz Name: Ululani Naeole-Casuga
 Res. Lease No.: 5155 Relationship: None
 Lease Date: 8/2/1982 Loan Assump: N/A
 Lot No.: 4 Applicant: Yes, Oahu IW Res.,
 Area/Island: Nanakuli, Oahu 6/29/2001
 Property Sold: Yes
 Amount: \$247,500
 Improvements: 4 bedroom, 2 bath dwelling

 Reason for Transfer: "Moving." Special Condition:
 Transferee to obtain funds to pay purchase price
13. Name: Aaron K. P. Kaeo Name: Rayne K. Kauhi
 Res. Lease No.: 12353 Relationship: Sister
 Lease Date: 12/5/2008 Loan Assump: N/A
 Lot No.: UNDV Applicant: Yes, Oahu IW Res.,
 Area/Island: Kapolei, Oahu 1/29/1997
 Property Sold: No
 Amount: N/A
 Improvements: None

 Reason for Transfer: "I prefer to live on Maui, therefore,
 I'm giving my lease to my sister so she can have a home for
 her family."

LESSEETRANSFeree

14. Name: Jane H. Wahilani Name: Jennifer L. Halemano &
 Res. Lease No.: 1744 Daniel K. Kaawa
 Lease Date: 7/29/1946 Relationship: Niece, Brother
 Lot No.: 68 Loan Assump: N/A
 Area/Island: Nanakuli, Oahu Applicant: Yes, Oahu IW Res.,
 Property Sold: No 2/15/2013; Oahu IW Res.,
 Amount: N/A 8/1/1978
 Improvements: None

Reason for Transfer: "Transfer to niece, Jennifer Halemano
and brother, Daniel Kaawa, Sr."



15. Name: Gerald N. Waialae Name: Jana Punawaiea Waialae
 Res. Lease No.: 6816 Relationship: Granddaughter
 Lease Date: 8/10/1988 Loan Assump: N/A
 Lot No.: 3 Applicant: No
 Area/Island: Waiakea, Hawaii
 Property Sold: No
 Amount: N/A
 Improvements: None

Reason for Transfer: "Transferring to my granddaughter."

Assignments for the Month of January '17	15
Previous FY '16 - '17 balance	<u>93</u>
FY '16 - '17 total to date	108
 Assignments for FY '15 - '16	 262

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission
THROUGH: Dean Oshiro, Acting HSD Administrator 
Homestead Services Division
FROM: Juan Garcia, Oahu District Office Supervisor 
Homestead Services Division
SUBJECT: **Approval of Amendment of Leasehold Interest**

RECOMMENDED MOTION/ACTION

To approve the amendment of the leasehold interest listed below.

DISCUSSION

Fifteen (15) amendments of lease.

1. Lessee: Genevieve H. Awong
Res. Lease No.: 1687
Lot No., Area, Island: 177B, Nanakuli, Oahu
Amendment: To amend the lease title and lessor name, to add the currently used terms, conditions, and covenants to the lease, and to extend the lease term to an aggregate term of 199 years.
2. Lessee: Crystal L. Kakalia, Buffee W. Chai & Crystal M. Salausa
Res. Lease No.: 8598
Lot No., Area, Island: 11, Nanakuli, Oahu
Amendment: To amend the tenancy to severalty due to the death of a joint tenant lessee.

3. Lessee: Hilda P. Bungo
Res. Lease No.: 3506
Lot No., Area, Island: 51, Nanakuli, Oahu
Amendment: To amend the lease title and lessor name, to add the currently used terms, covenants and conditions to the lease.
4. Lessee: David K. K. Calles, Sr.
Res. Lease No.: 1560
Lot No., Area, Island: 19, Waiakea, Hawaii
Amendment: To amend the lease title and lessor name, to add the currently used terms, covenants, and conditions to the lease, and to extend the lease term to an aggregate term of 199 years.
5. Lessee: Anna P. Kaleikini & Deborah I. K. Parker
Res. Lease No.: 3128
Lot No., Area, Island: 90, Waimanalo, Oahu
Amendment: To amend the lease title and lessor name, to amend the tenancy to severalty due to the death of a joint tenant lessee, and to add the currently used terms, covenants and conditions to the lease.
6. Lessee: Kekoa K. K. Dehmer
Res. Lease No.: 10814
Lot No., Area, Island: 50, Laiopua, Hawaii
Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.
7. Lessee: Virginia M. Kapaku
Res. Lease No.: 3317
Lot No., Area, Island: 166B, Nanakuli, Oahu
Amendment: To amend the lease title and lessor name, update the property description, to add the currently used terms, covenants, and conditions to the lease, and to extend the lease term to an aggregate term of 199 years.

8. Lessee: Heather K. Keamo
Res. Lease No.: 1367
Lot No., Area, Island: 2, Waiakea, Hawaii
Amendment: To amend the lease to delete the reservation of life interest.
9. Lessee: Brian K. K. Lee
Res. Lease No.: 573
Lot No., Area, Island: 120, Nanakuli, Oahu
Amendment: To amend the lease title and lessor name, to add the currently used terms, covenants, and conditions to the lease, and to extend the lease term to an aggregate term of 199 years.
10. Lessee: Joseph P. Manini, Sr.
Pas. Lease No.: 3878
Lot No., Area, Island: 1,2,5, Puu Opae, Kauai
Amendment: To amend the lease to correct the lease title and lessor name, and to add the currently used terms, covenants, and conditions to the lease.
11. Lessee: Richard Negrillo, Jr.
Res. Lease No.: 6085
Lot No., Area, Island: 47, Kalamaula, Molokai
Amendment: To amend the commencement date and property description due to final subdivision approval.
12. Lessee: Ruby Mary H. L. Patrocinio
Res. Lease No.: 8260
Lot No., Area, Island: 37, Nanakuli, Oahu
Amendment: To amend the lease to remove the reservation of life interest.
13. Lessee: Margaret U. Quinabo
Res. Lease No.: 4177
Lot No., Area, Island: 33, Paukukalo, Maui
Amendment: To amend the lease title and lessor name, to incorporate the currently used terms, covenants, and conditions to the lease, and to update the property description.

14. Lessee: Renee I. K. Samoa
 Res. Lease No.: 10781
 Lot No., Area, Island: 46, Laiopua, Hawaii
 Amendment: To amend the commencement date, lot number, and property description due to final subdivision approval.

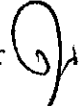
15. Lessee: Sheldon K. Kupau & Sonja L. Kupau
 Res. Lease No.: 3920
 Lot No., Area, Island: 1, Waimanalo, Oahu
 Amendment: To amend the tenancy to severalty due to the death of a joint tenant lessee, and to incorporate the currently used terms, covenants, and conditions to the lease.

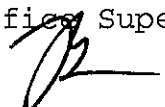
Amendments for the Month of January, '17	15
Previous FY '16 - '17 balance	<u>97</u>
FY '16 - '17 total to date	112
Amendments for FY '16 - '17	152

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting HSD Administrator 

FROM: Juan Garcia, Oahu District Office Supervisor
Homestead Services Division 

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

RECOMMENDED MOTION/ACTION

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

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

DISCUSSION

Four (4) non-exclusive licenses.

1. Lessee: Aulani W. Akana
Res. Lease No.: 7212
Lot No., Area, Island: 123, Kawaihae, Hawaii
Permittee: Sunrun Inc.
2. Lessee: Mary K. P. Albert
Res. Lease No.: 2462
Lot No., Area, Island: 74, Waimanalo, Oahu
Permittee: Sunrun Inc.
3. Lessee: Evangeline I. Kim
Res. Lease No.: 12396
Lot No., Area, Island: 18460, Kanehili, Oahu
Permittee: Sunrun Inc.

ITEM NO. D-10

4.	Lessee:	Barron K. Macalino
	Res. Lease No.:	1916
	Lot No., Area, Island:	217, Kewalo, Oahu
	Permittee:	Sunrun Inc.


Non-Exclusive License for January '17	4
Previous FY '16 - '17 balance	<u>36</u>
FY '16 - '17 total to date	40
 Non-Exclusive License for FY '15 - '16	 214

STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THRU: Dean Oshiro, Acting HSD Administrator 
Homestead Services Division

FROM: E. Halealoha Ayau, Acting Molokai District Office
Supervisor, Homestead Services Division

SUBJECT: **Commission Designation of Successor -
Barbara Jean Smith,
Agriculture Lease No. 499, Lot No. 33F-1&2,
Hoolehua, Molokai**

RECOMMENDED MOTION/ACTION

To approve the designation of Chervonne Magaoa (Chervonne), as successor to Agricultural Lease No. 499, Lot No. 33F1&2, Hoolehua, Molokai (Lease), for the remaining term of the Lease.

DISCUSSION

Barbara Jean Smith (Decedent) received Hoolehua Agriculture Lease 499, Lot 33F1 & 2 through a transfer on August 7, 2013. When she passed away on November 18, 2014, she died intestate.

In compliance with Administrative Rule 10-3-63, the Department published legal ads in the Honolulu Star Advertiser, The Garden Isle Newspaper, Hawaii Tribune Herald, West Hawaii Today, and The Maui News on August 7, 17, 21, and 31, 2016, to notify all interested, eligible and qualified heirs of the Decedent, to submit their successorship claim to Lease No. 499.

Respondents to the Public Notice included the Decedent's sister, Correna Pawn-White (Correna); sister, Rowan K. Puaa (Rowan); and nephew Niles Soares (Niles); and her daughter, Chervonne Magaoa. Correna, Rowan, and Niles are applicants on the Department's Waiting List. Chervonne is of 31.25% Hawaiian blood.

Pursuant to Section 209 of the Hawaiian Homes Commission Act of 1920, as amended (Act), when a lessee fails to designate a successor, the commission is authorized to terminate this lease or to continue the lease by designating a successor. Section 209 states in part that the department may select from only the following qualified relatives of the decedent:

1. Husband or wife; or
2. If there is no husband or wife, then the children; or
3. If there is no husband, wife, or child, then the grandchildren; or
4. If there is no husband, wife, child, or grandchild, then the brothers or sisters; or
5. If there is no husband, wife, child, grandchild, brother, or sister, then from the following relatives of the lessee who are native Hawaiian: father and mother, widows or widowers of the children, widows or widowers of the brothers and sisters, or nieces and nephews.

Improvements to the lot include a 3 bedroom, 1 bath dwelling. Ten dollars is owed for lease rent, \$816.63 is owed for real property taxes.

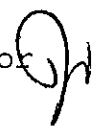
Based on the Act, as daughter, Chervonne, has the highest priority for successorship to the Decedent's leasehold interest, she is Homestead Service Division's recommendation to receive the lease. The Department requests approval of its recommendation.


State of Hawaii

DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean T. Oshiro, Acting Administrator 
Homestead Services Division

FROM: Loida Chun, Homestead Development Assistant 
Homestead Services Division

SUBJECT: **Approval for Payment of Net Proceeds - DAYNA L. KAIA-KAAIHUE, Residential Lot Lease No. 9505, Lot No. 67, Waiehu Kou Phase II Subdivision, Wailuku, Maui**

RECOMMENDED MOTION/ACTION

1) Accept the following appraisal, 2) approve the following purchase of improvements, and 3) authorize the following payment of net proceeds.

Lessee Name:	Dayna L. Kaia-Kaaihue
Lease Commencement Date:	February 1, 2001
Residential Lease No./Lot No.:	9505/67
Area/Island:	Waiehu Kou II/Maui
Date of Cancellation:	November 15, 2010
Date of Appraisal/Amount:	May 7, 2014/ \$175,000
DHHL Loan:	\$125,520.66
Expenses to Prepare for Re-award, Property Tax, Survey, Association Dues, Lease Rent Credit, Etc.:	\$ 8,932.72
Total Indebtedness:	\$134,453.38
Approx. Net Proceeds:	\$ 40,546.62

Residential Lot was re-awarded on November 15, 2016.

RECOMMENDATION

The Department recommends approval of this action.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting Administrator
Homestead Services Division

FROM: James Du Pont, West Hawaii District Office Supervisor
Homestead Services Division/Office of the Chairman

SUBJECT: **Request to Schedule Contested Case Hearing -
Lease Violations**

RECOMMENDED MOTION/ACTION

To approve the scheduling of contested case hearings for the following lessees listed below:

DISCUSSION

The following lessees have violated the terms and conditions of their homestead lease, therefore, we recommend that a contested case hearing be scheduled.

Lessee:	Marva Lee Ah Loy
Lease No.:	2674-A
Lot No./Area/Island:	9, Pu'ukapu, Waimea, Hawaii
Lease Violation:	Failure to submit plans for department approval and obtain building permits for various structures.

Lessee:	Godfrey K. Kainoa
Lease No.:	7232
Lot No./Area/Island:	70, Kailapa, Kawaihae, Hawaii
Lease Violation:	Failure to submit plans for improvements, obtain approval from the department and obtain building permit for storage container and attached roof.

Lessee:	Taylor Duke Kapuniai
Lease No.	9024
Lot No./Area/Island:	150, Pu'ukapu, Waimea, Hawaii
Lease Violation:	Unlawful use of homestead; setting off explosive types of material and target practice with firearms.

Lessee: Diedre Bertelmann
Lease No.: 8041
Lot No./Area/Island: 66, Pu'ukapu, Hawaii
Lease Violation: Conducting ground disturbing activities in the former Waikoloa Maneuver Area with the possibility of unexploded ordnance (UXO); building without approval from the department, building permits from the County of Hawaii and building a second residence.


Lessee: Mogul Crabbe
Lease No.: 9304
Lot No./Area/Island: 91, Kaniohale, Hawaii
Lease Violation: Failure to occupy homestead; failure to transfer lease to native Hawaiian; prospective caretaker has not been determined to be native Hawaiian; leave of absence for medical reasons is pending upon lease transfer.

STATE OF HAWAII

DEPARMTENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Dean Oshiro, Acting HSD Administrator 

FROM: Louis Hao, East Hawaii District Acting Supervisor
Homestead Services Division

SUBJECT: **Conditional Approval of Subdivision, Transfer of a Portion of Lease and Amendment to Lease No. 6973, Lot 29, Makuu, Hawaii - JOHN I. KEKAHUNA**

RECOMMENDED MOTION/ACTION

1. To approve the request of John I. Kekuhuna to subdivide Department of Hawaiian Home Lands Agricultural Lease No. 6973, Lot 29, Makuu, Hawaii, consisting of 5 acres, and further identified as TMK: 3-1-5-120-012 into three (3) separate lots subject to the following conditions:

A) The Lessee is responsible for all cost incurred in the processing and obtaining of the subdivision, including but not limited to surveying fees, fees imposed by the County of Hawaii (County), fees for utility (electric, water, etc.).

B) An updated farm/ranch plan for John I Kekahuna must be submitted within ninety (90) days pursuant to HAR §10-3-26 (f) and §10-3-24 (c).

C) Transfer of lots shall only be to lessee's son, Ioane K. Kekahuna and daughter, Lauae K. Kekahuna.

D) Amend Lease No. 6973, to reflect the subdivision of the Lots to be subdivided and to incorporate the currently used terms, covenants, and conditions in the lease, if necessary.

E) Survey work done by a licensed surveyor, including but not limited to the surveying and staking of boundary corners of the lots, submitting the required number of final subdivision maps to the County of Hawaii, preparing and submitting the legal description of the lots to the Department of Hawaiian Home Lands, applying to the County of Hawaii for subdivision approval, obtain the tax map keys for the Lots, final subdivision approval by the County of Hawaii.

F) Applicant must comply with Chapter 343, of the Hawaii Revised Statutes (HRS), prior to obtaining final subdivision approval by the HHC.

G) If required, detailed plot plans for each of the three (3) subdivided lots along with the respective "Request for Improvements" form to be submitted for review and approval by DHHL. The plot plans should include; location of all improvements, any easements granted or to be granted for utilities.

DISCUSSION

On January 15, 2013, the Hawaiian Homes Commission (HHC), approved Item G-1 to remove the moratorium on subdivisions of agricultural and pastoral leases as authorized under section 10-3-26 of the Department of Hawaiian Home Lands (DHHL) Administrative Rules (HAR). On May 20, 2012, The HHC approved the Implementation Plan to allow Subdivisions and Transfer of Agriculture and Pastoral Leases. On January 13, 2014, a "for information only" submittal was presented to the HHC by DHHL's Planning Office. The submittal outlined the procedure for processing agricultural and pastoral subdivision requests.

Department Lease No. 6973, Lot 29, located in Makuu, Hawaii (Lease), was awarded to John I. Kekahuna (John), commencing on October 1, 1986. John is requesting approval to subdivide the agricultural homestead lot and transfer a portion of the lot to each of his two (2) children, Ioane K. Kekahuna

and Lauae K. Kekahuna. Both children are deemed to have at least 25% Hawaiian ancestry and are therefore qualified to receive their subdivided portion of the lot.

Upon satisfaction to DHHL on the compliance of all of the conditions listed above, DHHL will resubmit the requested action for the HHC's final approval.

There is no outstanding loan attached to the lease. The lease rent to the Department and the real property tax owed to County of Hawaii are paid current.

The Department recommends conditional approval of its submittal.

DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
January 23 & 24, 2017
KAPOLEI, HAWAII

E-ITEMS
LAND DEVELOPMENT DIVISION


STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Norman L. Sakamoto, Acting LDD Administrator

FROM:  Isaac M. Takahashi, Acting Branch Chief
Housing Project Branch

SUBJECT: Approval of Lease Awards (see exhibit)

RECOMMENDED MOTION/ACTION

Approve the awards of Department of Hawaiian Home Lands Residence Lot Leases to the applicants listed below for 99 years, subject to the purchase of the existing improvements on the lot by way of a loan or cash.

DISCUSSION

Laiopua Residential Lots (Habitat Blitz Build), Kailua-Kona, Hawaii

<u>NAME</u>	<u>APPL DATE</u>	<u>LOT NO</u>	<u>TAX MAP KEY</u>	<u>LEASE NO</u>
Kurihara, Kimberly	02/02/94	44	3-7-4-027:044	12812
Kekauoha-Chartrand, Rebecca	06/22/05	45	3-7-4-027:045	12813
Spinney, Howard H.	10/31/88	49	3-7-4-027:049	12815
Brown, Lesly K.	07/17/86	51	3-7-4-027:051	12816
Vera Cruz, Louis Jr	07/29/87	53	3-7-4-027:053	12817
Mokiao, Reed	06/15/82	56	3-7-4-027:056	12818

With the execution of the foregoing leases, 6 single family home awards have been completed.

Puu Pulehu Residential Lots (Habitat), Waimea, Hawaii

<u>NAME</u>	<u>APPL DATE</u>	<u>LOT NO</u>	<u>TAX MAP KEY</u>	<u>LEASE NO</u>
Kaupu-Cabuag, Stanton	01/11/02	6	3-6-4-032:006	10188
Villanueva, Tanya-Lee M	09/23/94	14	3-6-4-032:014	10189

ITEM NO. E-1

With the execution of the foregoing leases, 2 single family home awards have been completed.

Hoolimalima - Kapolei Village 6 Residential Lots, Kapolei, Oahu

<u>NAME</u>	<u>APPL DATE</u>	<u>LOT NO</u>	<u>TAX MAP KEY</u>	<u>LEASE NO</u>
Cui, Hanah D.	05/21/84	13782	1-9-1-120:098	12770
Enriquez, Graen A. Jr.	09/15/05	13739	1-9-1-119:091	12771
Uyeno, Sharleen	07/15/83	13795	1-9-1-119:112	12772
Andrade, Noe K.	12/26/86	13748	1-9-1-119:100	12773
Carvalho-Yuen,				
Victoria K.	10/21/86	13765	1-9-1-120:081	12774
Wessel, Richard E.K.	08/08/05	13797	1-9-1-119:114	12775

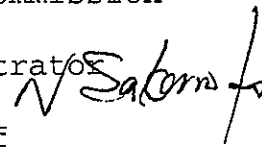
With the execution of the foregoing leases, 35 single family home awards have been completed.


STATE OF HAWAII

DEPARTMENT OF HAWAIIAN HOME LANDS

January 23, 2017

TO: Chairman and Members, Hawaiian Homes Commission

THROUGH: Norman L. Sakamoto, Acting LDD Administrator 

FROM:  Isaac M. Takahashi, Acting Branch Chief
Housing Project Branch

SUBJECT: **Rescission of Homestead Lease Award and Reinstatement
of Application - Kauai Undivided Interest -
Rhonda L. Thompson**

RECOMMENDED MOTION/ACTION

1. To approve the rescission of one (1) Residential Lease, Kauai Undivided Interest Program, which commenced on May 13, 2006.
2. To reinstate one (1) residential lease application to the appropriate Residential Lease Wait list according to the original date of application.

DISCUSSION

On April 8, 2006, at the Anahola Undivided Interest Selection Meeting, DHHL Kauai residential applicants executed the selection agreements and the lease awards were approved on May 13, 2006.

The following lessee has decided to rescind her lease at this time because of financial or personal reasons. The department has received her written request to rescind her lease and return to the Application list according to her original date of application.

<u>NAME</u>	<u>LEASE INFORMATION</u>	<u>APPLICATION INFORMATION</u>
THOMPSON, RHONDA L.	Lease No. 11043 Commencement Date: 5/13/06 Area: Anahola	Kauai IW Res Area Code: 593 App Date: 08/26/87

As a matter of information, since 2008, the Hawaiian Homes Commission has approved the rescission of seven (7) leases in the Anahola Undivided Interest Program.

ITEM NO. E-2


DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
January 23 & 24, 2017
KAPOLEI, HAWAII

F-ITEMS
LAND MANAGEMENT DIVISION

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

January 23-24, 2017

To: Chairman and Members, Hawaiian Homes Commission

From: Peter K. Albinio Jr., Acting Administrator
Land Management Division 

Subject: Consent to Assignment, Partial Cancellation, Amendment, and Restatement of Sublease and Mortgages in connection with the New Markets Tax Credit financing, La'i'Ōpua 2020, Kailua-Kona, Hawaii

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) grants its approval to the following:

- A. Grant consent to assignment, partial cancellation, amendment, and restatement of sublease to La'i'Ōpua Holdings, Inc. in relation to General Lease No. 286 between State of Hawaii and La'i'Ōpua 2020 covering Hawaiian Home Lands situated at Village of La'i'Ōpua Phase I, lot B-1, a portion of TMK-7-4-021:002 & 003 in the Island of Hawaii, Hawaii to Pono Resource Management, Inc. whose purpose is to perform activities for the benefit of, and which are an integral and essential part of the charitable activities of La'i'Ōpua 2020 including to receive assignments and to plan, design, and implement construction of a multi-purpose community center, recreation complex and health service within the Kealakehe Ahuapua'a, and once the community center is developed to hold title to real property, collect income therefrom, and turn over the entire amount thereof, less expenses, to La'i'Ōpua 2020, an organization exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code.
- B. Grant consent to the proposed mortgage of the assigned leasehold interest for the New Markets Tax Credit financing ("NMTC financing") and authorize the Chairman of the Hawaiian Homes Commission to review and approve the final terms of the mortgage and execute the Consent to Mortgage and related documents for the NMTC financing.

DISCUSSION

This submittal under Item No. F-1 (See Exhibit "A") as initially presented to the Hawaiian Homes Commission at its meeting held on December 19-20, 2016 was deferred by the Commission.

The HHC requested that more information be provided in regards to the New Markets Tax Credit Program. Therefore, Pacific Growth Associates, LLC as consultants to La'i'Ōpua 2020 (lessee) presented a power-point presentation to the HHC at its January 23-24, 2017 meeting under Item No. F-1 as a workshop.

RECOMMENDATION

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

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

December 19-20, 2016

To: Chairman and Members, Hawaiian Homes Commission

From: Peter K. Albino Jr., Acting Administrator
Land Management Division *P. Albino*

Subject: Consent to Assignment, Partial Cancellation, Amendment, and Restatement of Sublease and Mortgages in connection with the New Markets Tax Credit financing, La'i'Ōpua 2020, Kailua-Kona, Hawaii

RECOMMENDED MOTION/ACTION

That the Hawaiian Homes Commission (HHC) grants its approval to the following:

- A. Grant consent to assignment, partial cancellation, amendment, and restatement of sublease to La'i'Ōpua Holdings, Inc. in relation to General Lease No. 286 between State of Hawaii and La'i'Ōpua 2020 covering Hawaiian Home Lands situated at Village of La'i'Ōpua Phase I, lot B-1, a portion of TMK-7-4-021:002 & 003 in the Island of Hawaii, Hawaii to Pono Resource Management, Inc. whose purpose is to perform activities for the benefit of, and which are an integral and essential part of the charitable activities of La'i'Ōpua 2020 including to receive assignments and to plan, design, and implement construction of a multi-purpose community center, recreation complex and health service within the Kealakehe Ahuapua'a, and once the community center is developed to hold title to real property, collect income therefrom, and turn over the entire amount thereof, less expenses, to La'i'Ōpua 2020, an organization exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code.
- B. Grant consent to the proposed mortgage of the assigned leasehold interest for the New Markets Tax Credit financing ("NMTC financing") and authorize the Chairman of the Hawaiian Homes Commission to review and approve the final terms of the mortgage and execute the Consent to Mortgage and related documents for the NMTC financing.

DISCUSSION

General Lease No. 286, Kealakehe, Hawaii

The Hawaiian Homes Commission, at its regular monthly meeting March 24, 2009, approved the issuance of a General Lease No. 286 to La'i'Ōpua 2020 ("L2020") to use a portion of Hawaiian Home Lands in Kealakehe for the purpose of operating and maintaining a community center, health center, recreation facilities, and social service facilities to provide services benefitting the Department of Hawaiian Home Lands (DHHL) or native Hawaiians residing in the Villages of La'i'Ōpua and the broader Kealakehe area. General Lease No. 286 was issued to L2020 for a term of 65 years commencing on August 1, 2009.

ITEM NO. F-1

EXHIBIT "A"

ITEM NO. F-2

Federally Qualified Health Care Center (Phase I)

The Hawaiian Homes Commission, at its regular monthly meeting on July 22, 2013, consented to assign General Lease No. 286 between State of Hawaii and L2020 covering Hawaiian Home Lands situated at Village of La'i'Ōpua Phase I, lot B-1, a portion of TMK-7-4-021:002 & 003 in the Island of Hawaii, Hawaii to Pono Resource Management, Inc. whose purpose is to perform activities for the benefit of, and which are an integral and essential part of the charitable activities of L2020, including to receive assignments and to plan, design, and implement construction of a federally qualified health care center ("health center") within the Kealahou Ahupua'a, and upon development to hold title to real property, collect income therefrom, and turn over the entire amount thereof, less expenses, to L2020, an organization exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code.

The Hawaiian Homes Commission, at its regular monthly meeting on July 22, 2013, consented to the proposed mortgage of the assigned leasehold interest for the New Market Tax Credit financing ("NMTC financing") and authorized the Chairman of the Hawaiian Homes Commission to review and approve the final terms of the mortgage and execute the Consent to Mortgage and related documents for the NMTC financing.

La'i'Ōpua 2020 ("L2020")

L2020 is a nonprofit 501(c)(3) founded by the homesteaders of the Kaniohale Community Association (KCA), a native Hawaiian homeowners' association in the Villages of La'i'Ōpua, to ensure the existence of adequate health care, social service and recreational infrastructure to complement and support the native Hawaiian homesteaders and surrounding communities residing in the greater Kealahou community.

The legal basis for the establishment of the Department of Hawaiian Home Lands (DHHL) is the Hawaiian Homes Commission Act, 1920, as amended (HHCA). Passed by Congress and signed into law by President Warren Harding on July 9, 1921 (chapter 42, 42 Stat. 108), the HHCA provides for the rehabilitation of the native Hawaiian people through a government-sponsored homesteading program. Native Hawaiians are defined as individuals having at least 50 percent Hawaiian blood.

The mission of L2020 is to identify community needs, foster the creation of community facilities, and coordinate planning with service providers and partners for a variety of programs for residents of the Villages of La'i'Ōpua and the broader Kealahou area.

Designed as a pu'uhonua (area of safety and peace), the La'i'Ōpua Community Complex in Kealahou, Kona is distinctive — meeting the vital needs of Kona residents while redefining how they live, work, play and learn.

The La'i'Ōpua Community Complex will be developed on a 26.238-acre parcel immediately south and adjacent to Kealahou High School, and serve as a primary regional resource for the native Hawaiian people living both in the Villages of La'i'Ōpua and the at-large community residing in the Kona region. The Complex will be developed in phases. Phase I, the health center, has been completed and is in operation. Phase II, the Community Center ("Center"), involves this Consent to Assignment, Partial Cancellation, Amendment, and Restatement of Sublease and Mortgages in connection with the NMTC financing.

L2020 Community Center (Phase II)

Phase II will directly impact 620 La'i'Ōpua Hawaiian Homestead households and the residents of the surrounding Kealahou region that include approximately 2,500 residents living in the 336 public housing units adjacent to La'i'Ōpua. The Hawaii Public Housing Authority confirms that at least 44% of these households have incomes under 50% of the AMI for the county. The County of Hawai'i estimates that the population of North Kona will increase by 28% to 42,275 by the year 2020 (assuming a moderate rate of growth). This growth will include a significant number of native Hawaiians living in DHHL planned developments and low- and moderate-income families living in Hawai'i Housing Finance and Development Corporation's (HHFDC) affordable housing development. When fully built out, the Villages of La'i'Ōpua and the HHFDC Forest City development will include 4,100 homes and approximately 20,000 residents.

New Markets Tax Credit subsidy will fund the remaining site work and the initial vertical construction of the Center that will be operated by L2020. The Center will help to create and grow micro- and small businesses by inspiring entrepreneurs to turn business ideas into commercial companies, and provide technical expertise and business-development support. The Center will: 1) provide classes, coaching, networking and workshops geared to start-up or existing micro- and small businesses; 2) commercial kitchen and office/technology/meeting spaces; and 3) shared services (i.e. copying, printing, packing, and shipping). Center staff and technical experts will provide training and technical assistance in areas such as: marketing, sales, accounting, budgeting, human resources, IT services, effective communication, business and strategic planning, and customer service.

Workforce development is essential to the economic stability and prosperity of the Kona Coast community. The purpose of developing workforce development smart classrooms is to serve and focus on people and their career objectives. It is essentially a human resources strategy. Workforce development programming at the Center will take a holistic approach considering participants' many barriers and the overall needs of the region.

L2020 workforce development programs will continue with the best practice of partnering/networking with human service and community opportunities. These partnerships/networks have facilitated training programs like L2020's current Certified Nurse Assistant (CNA) and Commercial Driver's License (CDL). These specific training programs center on a place-based approach, which considers the supply side of the workplace (employees) and primarily focuses on the characteristics of the people in the region/community. STEM related workplaces, along the Kona Coast, are currently in need of those trained in healthcare and transportation fields. This approach to workforce development also aims at training unemployed workers and enhancing their skills, so they may ready to enter a labor market with quality positions with benefits.

L2020 has recently developed a relationship with the construction trades due to the projected shortfall, specifically within carpentry. L2020 has the task of training/preparing generations to enter the construction industry and other STEM related fields by way of a sector-based approach. This approach requires strategies that fit the needs of both industry employers and future/current workers who want to improve their skills to enter an industry and for those who want to advance their career development. L2020 works side-by-side with government and industry leaders to help an entire sector become more competitive.

Phase II is one of the priority projects in the Kealahou - La'i'Ōpua Regional Plan adopted by the Hawaiian Homes Commission on December 14, 2009 and reaffirmed in the Regional Master Plan issued in January 2012. To date, L2020 has received an estimated \$1,000,000 in direct construction grants that are directly related to this priority project.

Kūlia i ka Nu'u Program

DHHL has been assisting Hawaiian Homestead communities build capacity with resources like land parcel and grant awards, technical assistance, leadership and community development training, organizational assessments, non-profit training, and strategic planning known as the Kūlia i ka Nu'u (Strive for Excellence) Program. The Kaniōhale Community Association and L2020 leadership have successfully completed Level IV of the Kūlia i ka Nu'u, along with other leadership programs. By doing so, the Kaniōhale Community Association and L2020 leadership have developed the capacity and ability to work with the community to manage a variety of projects, programs, and services that include the ability to access financing options that support these projects, programs, and services. The Kaniōhale Community Association and L2020 is one of the many communities that have reached their potential to meet the needs and requests of the community they serve by ensuring the pieces fit accurately within their community and DHHL Regional Master Plan.

Request to Consent to Assignment, Partial Cancellation, Amendment, and Restatement of Sublease to La'i'Ōpua Holdings, Inc. and Mortgages in connection with the New Markets Tax Credit Financing

L2020 has been presented with an alternative financing opportunity to further Phase II construction on the Center. The Center will provide long-term socioeconomic development opportunities to the Villages of La'i'Ōpua Hawaiian Homestead residents and participants. L2020 has successfully utilized the New Markets Tax Credit ("NMTC") to build the health center in partnership with West Hawai'i Community Health Center.

However, to qualify for NMTC, L2020 must receive consent to assignment, partial cancellation, amendment, and restatement of sublease to La'i'Ōpua Holdings, Inc. and mortgages. Currently, General Lease No. 286 was assigned to Pono Resource Management, Inc. and the assigned leasehold interest on the leased premises served as collateral on said approved mortgages. Approval of this request provides for a partial collateral release that will allow L2020 via La'i'Ōpua Holdings to proceed with NMTC that will generate construction funds for said Center.

By consenting to assignment, partial cancellation, amendment, and restatement of sublease to La'i'Ōpua Holdings, Inc. and mortgages, L2020 can enter into a New Markets Tax Credit Leverage Structure Transaction bringing equity to the Investment Fund which in turn is used to make a Qualified Equity Investment into Community Development Entities. The Community Development Entity then makes a Qualified Low-Income Community Investment into La'i'Ōpua Holdings, Inc., the Qualified Active Low-Income Community Business.

New Markets Tax Credit (NMTC) Program

The federal NMTC program is currently the largest federal economic development incentive program. The program was enacted as part of the Community Renewal Tax Relief Act of 2000 to encourage investment in low-income urban neighborhoods and rural communities that lack access to the capital needed to support and grow businesses, create jobs, and sustain healthy local economies.

The original authorizing legislation provided \$15 billion in NMTC authority between 2000 and 2007. With extensions of the program, to date, the Community Development Financial Institutions (CDFI) Fund

has awarded a total of \$45.5 billion in New Markets Tax Credit allocation authority¹. Since its inception, the NMTC Program has created or retained an estimated 358,800 jobs, supported the construction of 17.1 million square feet of manufacturing space, 49.4 million square feet of office space, and 42.7 million square feet of retail space.²

Per Treasury Department data, between 2003 and 2010, the NMTC generated over \$20 billion in private investment in communities with high poverty rates, low incomes and high unemployment rates.³ This \$20 billion leveraged an additional \$25 billion in capital from other public and private sources, financing almost 3,000 projects ranging from urban health care centers to rural factories and small business loan funds.⁴

On January 3, 2013 President Obama signed the American Taxpayer Relief Act of 2012 that included an extension of the New Markets Tax Credit Program for 2012 and 2013. The tax credit allocation authority is \$3.5 billion for each year.⁵ If history is any guide, this \$1.8 billion in federal investment will leverage more than \$14 billion in total investment in rural and urban areas struggling with high rates of unemployment and poverty, creating over 100,000 jobs.⁶

NMTCs are a tax credit, not a tax deduction. A tax credit can be given to the IRS instead of making a cash payment for taxes owed by the investor. The investor is typically a bank or insurance company.

NMTC is very flexible and can be used for a wide range of purposes. Most types of businesses, including not-for-profit businesses are eligible for NMTC subsidy. The program has supported a wide variety of community and economic development initiatives including restaurants, childcare facilities, community centers, charter schools, supermarkets, shopping centers, manufacturing and industrial facilities, health care centers, and mixed-use buildings with affordable housing. For the many communities that could benefit from the NMTC, the first step is to understand how it works.

In brief, the Community Development Financial Institutions (CDFI) Fund, part of the U.S. Treasury Department, certifies qualified community development entities (CDEs) and conducts competitions for the allocation of NMTCs to CDEs. An "allocation" allows the CDE to select a project and coordinate funding, including by receiving the tax credit investor's capital and directing the tax benefits to the investor.

The size of the NMTC is 39% of the capital assembled by the CDE, taken over seven years. The capital is typically approximately the project budget amount. At closing, investors pay a percentage of the total benefits they receive over time. This means the tax credits result in a subsidy for projects typically in the range of 17 – 22% of the total capital raised by the CDE. The capital must be used for qualifying

¹ "NMTC Qualified Equity Investment Report." United States Department of the Treasury, Community Development Financial Institutions Fund New Markets Tax Credit Program. Published on November 2, 2015. Viewed on November 9, 2015. <https://www.cdfifund.gov/Documents/Nov.%202015%20QEI%20Issuance.pdf>.

² "NMTC Program Fact Sheet." United States Department of the Treasury, Community Development Financial Institutions Fund New Markets Tax Credit Program. Viewed November 9, 2015. https://www.cdfifund.gov/Documents/CDFI_NMTC.pdf.

³ Ibid.

⁴ Ibid.

⁵ "New Markets Tax Credit Program Update." United States Department of the Treasury, Community Development Financial Institutions Fund. Last updated/reviewed: 01/03/2013. Viewed March 11, 2013. http://cdfifund.gov/news_events/CDFI-2013-01-New-Markets-Tax-Credit-Program-Update.asp.

⁶ "New Markets Tax Credit Coalition Commends Extension of New Markets Tax Credit in American Taxpayer Relief Act. Fiscal Cliff Legislation Provides Two-Year Extension to Federal Tax Credit Program Proven to Fuel Private Investment in Economically Distressed Communities." NMTC Coalition. Posted on January 4, 2013. Viewed March 11, 2013. <http://nmfccolalition.org/2013/01/new-markets-tax-credit-coalition-commends-extension-of-new-markets-tax-credit-in-american-taxpayer-relief-act/>.

projects, usually required to be located in low-income census tracts or projects that serve or employ low-income persons.

Business owners, financial institutions and community economic development leaders are now realizing the various ways the New Markets Tax Credit program can help finance projects and stimulate economic growth.

The Department of Hawaiian Home Lands (DHHL) is supportive of L2020 and its efforts to proceed with Phase II, preconstruction work for the Center has been completed and the NMTC subsidy will allow construction of the Center to continue.

Consent to Mortgage and Related Documents

L2020 and those entities participating in the NMTC transaction have entered into a term sheet, which is the basis for the leasehold mortgage on the leased premises. NMTC legal counsel has generated the Qualified Low-Income Community Investment documents. At this time, said documents are being reviewed by the Deputy Attorney General, so no final details can be shared with the Commission. However, due to the deadline to qualify and close the loan by end of January 2017, Land Management Division (LMD) is requesting a preliminary consent from the Commission of this leasehold mortgage and authorizing the Chairman of the Hawaiian Homes Commission to review the final terms and approve the mortgage loan, and then to execute the consent to mortgage document and related documents.

NMTC regulations will require L2020 to form an entity other than L2020, a not-for-profit ("501(c)3") subsidiary "operating" entity, to take the general lease in part. It is contemplated that should this route be necessary, L2020 would assign the leasehold interest to this new "operating" entity. The "operating" entity known La'i'Ōpua Holdings, Inc. will be responsible for the duties and obligations necessary to maintain and hold faithfully the terms and conditions of the general lease in part.

Terms and Conditions of the Assignment, Partial Cancellation, Amendment, and Restatement of Sublease to La'i'Ōpua Holdings, Inc.

The assignment, partial cancellation, amendment, and restatement of sublease to La'i'Ōpua Holdings, Inc. related to General Lease No. 286 may occur prior to January 31, 2017. This is to accommodate the pending closing date of the mortgage loan on or before January 31, 2017. The base annual rental (ABR) for the Assignment of General Lease shall be the same for all homestead associations, calculated at 20% of net revenues per annum that La'i'Ōpua Holdings, Inc. generates from the premises. It is recommended that ABR shall be waived until the first reopening date to allow La'i'Ōpua Holdings, Inc. to pay down on the mortgage loan, and to fund and support the programs at the La'i'Ōpua Community Complex.

The ABR will be reopened and redetermined *if deemed appropriate* on January 31, 2047 either by an in-house staff or by an independent appraiser. It is recommended that consideration be given to defer the reopening of the rental period and keep the rental structure at 20% of net revenue for additional period should La'i'Ōpua Holdings, Inc. justify such need and should the use of the leased premises remain the same.

AUTHORIZATION

Section 171-22, Hawaii Revised Statutes, as amended, titled Consent to Mortgage, states in part that "...consent of the state is required as a condition precedent to the mortgage of, or the creation off a security interest in public land, the chairperson of the board may, upon due application, grant the consent..."

Under authority granted under Section 10-2-16(c)(4) of the DHHL Administrative Rules, the Chairman can grant consent to assignments, subleases, mortgages and approve construction plans. The Chairman is obligated, under Section 10-2-17; to report to the commission for ratification of any actions taken as permitted under Section 10-2-16. LMD informed the Hawaiian Homes Commission, at the monthly meeting of October 31, 1994, that it will commence to submit directly to the Chairman all requests for approval of plans, all requests for consents to subleases and consents to mortgages unrelated to and not in conjunction with a request for consents to assignment of leases.

RECOMMENDATION



Land Management Division requests approval of the motion as stated.

DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
January 23 & 24, 2017
KAPOLEI, HAWAII

G-ITEMS
PLANNING OFFICE

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

January 23-24, 2017

To: Chairman and Members, Hawaiian Homes Commission
Thru: M. Kaleo Manuel, Acting Planning Program Manager
From: Julie-Ann Cachola, Planner 
Andrew H. Choy, Planner 
Subject: Adoption of the Pana'ewa Regional Plan Update
(2017), Hilo, Hawai'i

Recommended Action

That the Hawaiian Homes Commission:

1. Adopt the Pana'ewa Regional Plan Update (2017)
(Exhibit A); and
2. Authorize dissemination of the Pana'ewa Regional
Plan Update (2017).

Discussion

BACKGROUND

Regional plans build a sense of community and capacity, stimulate partnerships for development and improvements, facilitate beneficiary participation in issues and areas of concern, and identify priority projects within existing and planned homestead areas. The plan may focus on a particular homestead community or several homestead communities in the region. At a minimum, the regional plans document current conditions and trends and identify a prioritized list of projects important to the community and DHHL.

The first awarding of Pana'ewa farm lots occurred in the late 1940s. The lots were formally mapped as the Pana'ewa House and Farm lots in 1976 (File Plan 1487). Kanoelehua industrial lots created revenue-generating

industrial lots in 1964. In the ensuing years, additional subdivisions have occurred that have changed the lot layout. As of 2015, the Planning Area encompasses a total of 717 lots (285 agriculture homestead, 311 residential homestead, 115 industrial/commercial, 6 unencumbered) on 3,221 acres. Additional information and characteristics of the planning area can be found in Exhibit A.

The DHHL Pana'ewa Regional Plan was originally adopted by the HHC in 2009. The outlook of a regional plan is typically 3-5 years. Because it has been more than five years since the adoption of the plan and because several priority projects have been implemented or are in-progress, there was a need to re-evaluate and update the regional plan for Pana'ewa.

OUTREACH PROCESS & METHODOLOGY

To date, this planning process began in February 2016. Two additional beneficiary consultation meetings were held in March 2016 and April 2016. In addition to conducting these meetings, DHHL staff and consultants met twice with the boards of the Pana'ewa Hawaiian Home Lands Community Association (PHHLCA) and Keaukaha-Pana'ewa Farmers Association (KPFA) to learn more about the associations' current initiatives and receive feedback from the associations' potential priority projects that they may undertake.

A draft plan was completed in August 2016 based on those meetings and was presented to the HHC for initial review and comment (See informational submittal Exhibit B). Two beneficiary consultation meetings were conducted on the draft plan in September and December 2016. The draft plan was revised per beneficiary comment from those meetings. Table 1, on the following page, summarizes the planning process that has been completed to date:

Table 1: Planning Process Activities and Outcomes

Dates	Activity	Intended Outcome
March 2016	Beneficiary Consultation Meeting #1 held on March 8.	Introduce the planning process and planning team to the community. Identify characteristics of a healthy and thriving native Hawaiian community.
April 2016	Met with PHHLCA Board on April 5.	Learn more about current initiatives that PHHLCA is working on.
April 2016	Met with KPFA Board on April 16.	Learn more about current initiatives that KPFA is working on.
April 2016	Beneficiary Consultation Meeting #2 held on April 30.	Identify current issues, concerns, and opportunities. Create solutions related to the above and identify priorities.
June 2016	Met with PHHLCA board on June 7.	Receive feedback from PHHLCA board on draft priority projects.
July 2016	Met with KPFA board on July 16.	Receive feedback from the board on draft KPFA priority projects.
August 2016	Informational submittal to HHC on Draft Plan.	Inform and receive HHC feedback and input on the draft plan.
Sept. 2016	Beneficiary Consultation Meeting #3 held on September 14.	Receive beneficiary feedback and input on the draft plan.
Dec. 2016	Beneficiary Consultation Meeting #4 held on December 1.	Review changes made to the draft plan based on feedback received at the September 14 meeting.

RESULTS OF THE OUTREACH & PLANNING PROCESS

Through the beneficiary consultation planning process, participants identified the following as characteristics of a healthy and thriving Pana'ewa homestead community:

Culture. As we practice our cultural behaviors, beliefs, and values, we learn our deep relationship to the land and we understand how to relate to the land and how to relate to one another. As we perpetuate cultural traditions we build unity. Culture is what is important to us. It is the legacy we want to pass on to the next generation.

Community Facilities, Services, and Amenities.

Community facilities enhance our lives in many ways and come in a variety of forms. A community facility is a physical feature that requires human and financial resources and they require ongoing work. The development of a community facility addresses current needs and desires of the community, while also ensuring long-term viability over the long term, to provide those facilities that will enhance the quality of life - socially, intellectually, culturally, economically, politically, and spiritually.

Agriculture. Agriculture is rooted in our culture and is the legacy of our ancestors. Agriculture provides sustenance for the people and sustainability for our natural and cultural resources. Agriculture provides an economic base for the community that uses our ingenuity and traditional knowledge. Agriculture ensures that we are productive, resilient, and self-sufficient. Agriculture ensures our survival.

Youth. The youth are the future of our community. If there's nothing here for them, they will leave. They need a means to stay. The data shows that there are no transitional programs for youth during afterschool, breaks, etc. There is an opportunity and need to develop a safe place for keiki during these transitional times. Programs could be developed and centered around growing farmers, growing keiki on 'āina. This creates the message for youth that "farming is sexy".

Housing Development and Settlement on Hawaiian Home Lands. Develop homes to get more people on the land. People are dying on the list. Award lands with or without infrastructure.

The Economy. A thriving economy contributes to financially self-sufficient individuals and communities. Participation in a thriving economy can help us take the leap to the next level of success.

Infrastructure. Community facilities provide a safe place for keiki to grow, learn, and farm. Infrastructure and facilities built together by neighbors and beneficiaries galvanizes the community. Energy facilities such as micro-grids feed into homestead lots and relieves lessees of energy expenses which can go toward more important resources.

Draft Regional Plan Update

As mentioned previously, a draft regional plan update was presented to the HHC in August 2016. Four priority projects were identified at that time and are as follows:

1. **Kamoleao Implementation** - Development of a 12.77 acre parcel for community use.
2. **Pana'ewa Park and Family Center Management** - The potential renewal of the license agreement with the County of Hawai'i for Pana'ewa Park should offer an opportunity for DHHL, PHHLCA, and the County to explore alternative management agreements with the County that would allow PHHLCA more control over the scheduling and use of park facilities and at the same time partner with the County on park maintenance.
3. **Agricultural Capacity Building - Marketing and Training Center** - Support KPFA's current and future programs and activities at its current farmers' market site.
4. **DHHL Island Plan Update for East Hawai'i** - The island plan update for East Hawai'i would look at opportunities for additional homesteading, commercial opportunities for beneficiary entrepreneurs, and establish a clear process for beneficiary input and consultation.

Final Regional Plan Update

As previously mentioned, DHHL conducted beneficiary consultation meetings in September and December of 2016 to get feedback and input on the draft regional plan update. Based on the comments received at these two meetings, the following substantive revisions were made to the final updated regional plan:

- **Amended Section 6.1 "Kamoleao Implementation" priority project.** Two revisions were made. (1) References to agriculture activity at Kamoleao were removed as PHHLCA is not intending to pursue agriculture at the Kamoleao site at this time. Also, KPFA would prefer community agriculture activities to be located at their farmer's market site and not duplicated elsewhere. (2) Language was also inserted into this section to emphasize that Phase I of the Kamoleao project should be simple and attainable to ensure that the project is developed within the short-term.
- **Amended Section 6.3 "Agricultural Capacity Building - Marketing and Training Center" Priority Project.** At the September meeting, beneficiaries opined that DHHL should make agriculture lessees more aware of financial resources and products that are available for their farm. Furthermore during the December meeting, beneficiaries expressed that DHHL should proactively create partnerships with entities that can provide financial resources to farmers to better serve agriculture lessees. Language was added to action step 2, page 50, to reflect these beneficiary comments.
- **Added a NEW Priority Project, Section 6.4 "Traffic Calming and Safety Improvements on Railroad Avenue and Auwae Avenue."** A new priority project was created to address concerns of car racing, gun shots, vandalism, loitering and drug use at the Puna-end of Railroad Avenue. The priority project recommends solutions to these issues such as working with the County to install speed humps to prevent racing and speeding, increase police patrols of the area, and installation of a gate near the intersection of Railroad Avenue and

Pauopalae Street to restrict access to the dead-end area to only lessees and their families and friends.

- **Amended Section 6.5 "Hawaii Island Plan Update for East Hawaii."** One of the concerns raised during this planning process was with regards to DHHL's proposal to develop subsistence agriculture lots at the end of Auwae Street and that an insufficient amount of beneficiary consultation was conducted. Beneficiary comment for this project expressed a need to explain in better detail the beneficiary consultation process. Language was added to explain the typical steps in the island plan planning process in greater detail.
- **Deleted Figure 19.** During the September beneficiary consultation meeting, the map depicted in Figure 19 contained descriptive information that was not substantively relevant to the plan.
- **Added new section 5.4 "Impacts of Future Proposed Infrastructure Facilities."** Recently, new County of Hawaii infrastructure facilities including an organic solid waste facility and mass transit base yard have been planned in close proximity to Pana'ewa agriculture lessee lots. This new section in the regional plan was added to address these concerns. It recommends that DHHL should advocate that the County or any other entity to direct future development that is not compatible with the purposes of the HHCA be a sufficient distance from DHHL Pana'ewa lands.
- **Section 5.3 Propose Alternative Route for County Puna Mid-Level Connector.** The 2009 Pana'ewa Regional Plan had a priority project related to beneficiary opposition to the proposed Puna Mid-Level Connector Road thru Railroad Avenue as it would divert daily traffic from the district of Puna to Railroad Avenue which would significantly increase traffic through the existing homestead area. This updated plan continues to reflect beneficiary opposition to the proposed road, but goes a step further by recommending an alternate route that does not go through the Pana'ewa homestead community. The proposed alternative could be a potential route that is acceptable to the County.

The alternative route is depicted in Figure 15 of Final Pana'ewa Regional Plan Update (Exhibit A).

RECOMMENDED ACTION

That the Hawaiian Homes Commission approve these recommended action as stated.



2016

PANIA'EWA

REGIONAL PLAN

EXHIBIT 'A'



HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION • DEPARTMENT OF HAWAIIAN HOME LANDS

Executive Summary

Regional plans build a sense of community and capacity, they stimulate partnerships for development and improvements, and put homestead lessees in the “driver’s seat.” The Hawaiian Homes Commission’s approval of 21 Regional Plans across the State means that all homestead communities have the same opportunity. The 21 regional plans provide a platform for beneficiaries to talk as neighbors and ‘ohana about their common issues and concerns. The regional plans empower beneficiaries with a recurring opportunity, to convene as neighbors and friends in order to identify and solve their own problems. Regional plans tap the ingenuity and ensure that homestead lessees are an integral part of the solution. Working with the Department of Hawaiian Home Lands (DHHL) Planning Office staff and consultants, the plan identifies priority projects to respond to issues and areas of concern within existing and planned homestead areas. The plan may focus on a particular homestead community or several homestead communities in the region. At a minimum, the regional plan documents current conditions and trends and identifies a prioritized list of projects important to the community and the department.

Vision. The vision provides a unified direction for homestead, Departmental and Commission actions in Pana’ewa and is as follows:

The Pana’ewa Homestead is a connected community that promotes collective health and wealth, succession of generational knowledge and practices, and access to resources and services through community and agriculture activities.

Planning Area. The Pana’ewa Planning Area (approximately 3,200 acres) is located in the Waiākea ahupua’a, South Hilo District, Island and County of Hawai‘i in the heart of Hilo in close proximity to urban services. The Hawaii Island Plan (2002) land use designations include:

- Residential Homestead (approximately 425 acres),
- Supplemental Agriculture Homestead (approximately 1,500 acres),
- Subsistence Agriculture Homestead (approximately 446 acres),
- Community Use (approximately 40 acres),
- Commercial use (approximately 235 acres), and
- Industrial (approximately 365 acres).

The Pana'ewa Commercial/Industrial lots generate the most trust revenue from general leases of all DHHL regions in the State. As of 2015, 59 of 121 Commercial or Industrial lots were unencumbered. Of the 62 leased lots in the Planning Area, 45 of the lots are in the Kanoelehua Industrial Area (west of Kanoelehua Avenue), and the balance of 17 lots include the major commercial areas of Kuhio Mall, Waiākea Shopping Center, Target/Safeway, and the industrial lots along Railroad Avenue.

Planning Process. This Plan updates the 2009 Pana'ewa Regional Plan. The process kicked off with a community meeting held on March 8, 2016. Input from this meeting identified community values and concerns. Following this meeting, the Planning Team met with the community and farmers associations to delve into more detail on ideas. A second community meeting held on April 30, 2016 translated the numerous issues and opportunities identified by beneficiaries into a draft vision statement and a list of potential projects. The Planning Team synthesized the priority projects and reviewed these projects with the community and farmers association. The ideas were compiled into a draft plan for review by the community at a meeting held on April 30, 2016.

Priority Projects. The priority projects, summarized in the table below, reflect the community's desires to develop Kamoleao as a community resource center, more actively participate in the management of the Pana'ewa Family Center, support agricultural capacity-building, and increase homestead opportunities for wait list beneficiaries.

Priority Project	Tasks	Required Resources
Kamoleao Lead Responsibility: PHHLCA	<ul style="list-style-type: none"> • Use existing GIA to: <ul style="list-style-type: none"> ◦ Finalize Phase 1 Programming ◦ Develop a Financial Plan ◦ Prepare Phase 2 Master Plan • Prepare Phase 1 bid documents 	<ul style="list-style-type: none"> • Technical Assistance • HHC Approval
	<ul style="list-style-type: none"> • Extend sewer line (DHHL) <ul style="list-style-type: none"> ◦ Preliminary engineering and cost estimate • Coordinate funding with any homestead project in the vicinity 	<ul style="list-style-type: none"> • Funding (design, construction)
	<ul style="list-style-type: none"> • Construct Phase 1 	<ul style="list-style-type: none"> • Technical Assistance • Funding (construction) • HHC Approval

Priority Project	Tasks	Required Resources
Pana'ewa Park & Family Center Management Lead Responsibility: DHHL & PHHLCA	<ul style="list-style-type: none"> • Develop programs, procedures, and financial plan • Negotiate Cooperative Agreement between County and PHHLCA as part of license renewal between DHHL and the County 	<ul style="list-style-type: none"> • Technical Assistance • Funding (operational) • HHC Approval (license renewal)
Agricultural Capacity Building—Marketing and Training Center Lead Responsibility: KPFA & DHHL	<ul style="list-style-type: none"> • Expand the farmers market by diversifying the vendors, training homesteaders to collect and sell produce from homesteaders, and holding demonstration and training programs in synergistic relationship with the market • Explore alternatives to pool resources to provide homestead farmers affordable access to facilities, equipment, supplies, and capital (e.g., agricultural cooperative) • Foster interdependence and interaction between the residential and agricultural homesteaders through community gardens and training • Convert the right-of-entry to a long-term license or lease upon approval of a master plan and financial plan 	<ul style="list-style-type: none"> • Technical Assistance
Hawai'i Island Plan Update for East Hawai'i Lead Responsibility: DHHL	<ul style="list-style-type: none"> • In the process of updating, consider: <ul style="list-style-type: none"> ◦ Alternatives to expand homestead opportunities by redesignating revenue-generating areas to homestead, and/or increasing density ◦ Supporting commercial opportunities for beneficiaries • Establishing a clear process for beneficiary outreach and input 	<ul style="list-style-type: none"> • Funding (professional services) • HHC Approval (initiation of update and final update plan)

Other Actions. The following actions are beyond the decision-making powers of DHHL but require coordination due to their impact on the Pana'ewa community:

- DHHL will coordinate with the County as part of the County's General Plan Update process to remove the segment of the proposed Puna Makai Alternate Route (PMAR) that connects to Railroad Avenue. The proposal would be to terminate the PMAR at the intersection of the Kea'au Bypass Road and Volcano Highway to direct regional traffic to a State highway.
- DHHL will coordinate with the County Department of Public Works to install appropriate traffic calming measures along the County roads within the Planning Area to stem the current dangerous speeding and the nuisance parties at the County dead-end roads.

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1 Introduction

1.1 Purpose of a Regional Plan

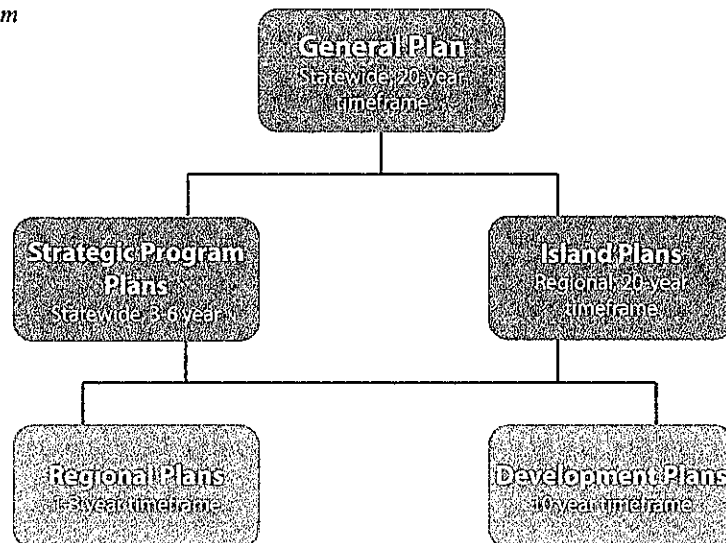
The mission of the Department of Hawaiian Home Lands (DHHL) is to build vibrant homestead communities. Towards this end, DHHL works in partnerships with government agencies, private landowners, non-profit organizations, homestead associations, and other community groups. Regional plans provide the means to work closely with existing lessees and native Hawaiian beneficiaries to clarify visions and build partnerships.

This regional plan is one of 21 regional plans that DHHL is updating statewide. These regional plans assess land use development factors, identify issues and opportunities, and identify the region's top priority projects slated for implementation within the next five years.

1.2 Planning System

Regional Plans are part of DHHL's three-tiered Planning System. At tier one is the General Plan which articulates long-range goals and objectives for the Department. At the second tier, there are Program Plans that are statewide in focus, covering specific topic areas such as the Native Hawaiian Housing Plan and a Native Hawaiian Development Program Plan. Also at this second tier are the Department's Island Plans that identify the Department's land use designations per island which function similar to the counties' land use zones. The Regional Plans are located at the third tier in the Department's Planning System which focuses at the community/regional level.

Figure 1: DHHL's Planning System



1 Introduction

The role of the Regional Plans within the planning system includes:

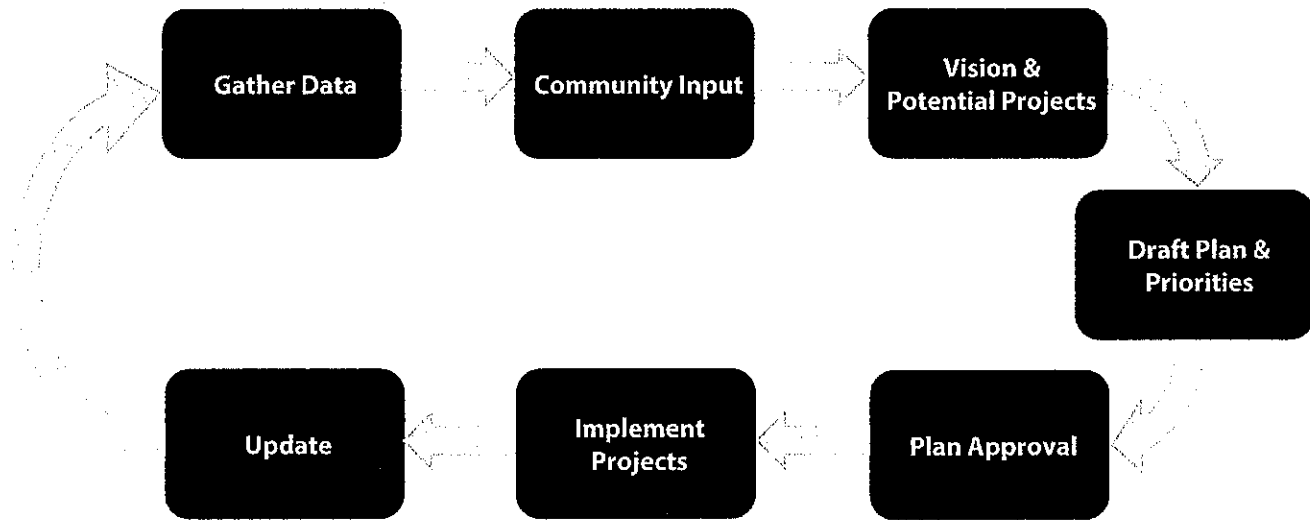
- Apply the goals, policies, and land use designations of the General Plan, program plans, and applicable island plan to specific geographic regions;
- Directly involve the community in planning their region;
- Compile comprehensive information about the region to provide a factual basis to identify needs and opportunities;
- Evaluate changes needed, if any, to the Island Plan as it applies to the region;
- Identify potential resources (e.g., partners, funding sources) to facilitate implementation;
- Identify priority projects that are important to the community and implementation steps to move these projects forward.

1.3 Regional Planning Process

The development of regional plans involve seven steps (see Figure 2):

1. **Gather Data.** Pertinent data to describe existing conditions and trends include history of the homestead, land use, infrastructure, natural features, historic/cultural features, surrounding uses, development trends.
2. **Gather Community Input to Identify Issues and Opportunities.** Existing homesteaders, native Hawaiian beneficiaries, and other stakeholders are invited to a facilitated meeting to discuss issues and opportunities for the region.
3. **Create a Long-Term Vision and Identify Potential Projects.** The input from the community on the issues and opportunities provide the basis to craft a draft vision statement that is reviewed and modified as necessary to the satisfaction of the community. Potential projects consistent with this vision are identified and prioritized by community consensus.
4. **Review a Draft Plan and Priorities.** Project details, budget estimates, and other pertinent project planning information are written up as part of a draft plan for review by the community.
5. **Approve the Plan.** Draft regional plans are then subject to the approval of the Hawaiian Homes Commission, which means that the Commission and Department officially support the priorities identified in the regional plan.
6. **Implement Priority Projects.** Upon approval, the homestead community, the Department, and other development partners can seek necessary funding and pursue the implementation of the Priority Projects.
7. **Update.** Finally, since DHHL knows that regional development is a dynamic process with constantly changing opportunities and emerging issues, regular regional plan updates are built into the planning process.

Figure 2: The Regional Plan Development and Update Process



1.4 Stakeholders and Partners

DHHL is working in partnership with other government agencies, the private sector and community organizations to develop its lands and improve community life. DHHL believes that partnerships are an effective way to leverage resources and capital investments, mitigate undesirable impacts of development, coordinate area growth, reduce risks in large scale community projects, and create broad community benefits.

These partnerships allow for better prioritization and coordination of infrastructure improvement and the development of regional and public residential facilities. This coordination helps individual organizations achieve their goals while bringing long-term benefits to the community and region.

1.5 DHHL Master Planning Process and Community Development Goals

Often times homestead associations are interested in developing capital improvement projects within their communities in order to provide needed social services and enrichment opportunities for their community. The need for these desired projects are often captured in DHHL Regional Plans. While the characteristics of projects proposed in each region are as diverse and unique as the DHHL communities in each region across the state, the overall planning and development process for these projects in most instances is the same.

Successfully implementing any type of land development project requires several basic foundational elements prior to beginning. This includes a strong organization that works well together and has high levels of participation in regular association business, ensuring that projects are selected based upon agreed

1 Introduction

criteria rather than individual preferences, creating a project plan and building large amounts of social capital within and outside of the community. Figure 3 briefly describes these elements of organizational capacity and project planning in more detail. The top level represents the steps that the homestead association (project proponent) should complete.

Most organizations go through five main stages of an organization's developmental lifecycle:

1. **Stage One: Imagine and Inspire.** The organization is not yet formalized, but individuals are inspired and united by a common vision or idea.
2. **Stage Two: Found and Frame.** The organization becomes formalized. Governing documents have been drafted and adopted by its members. The organization receives its non-profit status.
3. **Stage Three: Ground and Grow.** Organizations in this stage focus on establishing systems of accountability to its members as well as growing its internal capacity to provide more services or a higher quality of service to its members.
4. **Stage Four: Produce and Sustain.** This is the stage in which the organization is at its peak and is primarily concerned with how it can sustain its level of service over time.
5. **Stage Five: Review and Renew.** The organization re-invents itself in order to adapt to new existing conditions. The primary question the organization is concerned with at this stage is: "How can we do it better?" The organization revisits its mission, vision, services, and management structure.

Social capital can be defined as the networks of relationships among people who live and work in a particular society, enabling that society to function effectively. A homestead association from time to time should assess its social capital both internally among its members as well as among external stakeholders and potential partners in order to determine the level of potential support and/or opposition about a proposed land development project. Figure 3 illustrates the various social circles that should be supportive of a land development project. Often times, a development idea starts with a core group of individuals on an association board and gradually that idea should be shared with and incorporate the ideas of others in larger social circles of people in order to grow social capital and build support for a development project.

Lastly, Figure 3 illustrates that the association's assessment of its life cycle and existing social capital should be incorporated into a program plan. A program plan clearly articulates a community vision or need, identifies criteria for selecting programs or projects to fulfill that vision or need, and selects appropriate projects and programs based on that criteria. Programs/projects should be selected based on strong community support for the initiatives and the association's organizational capacity.

Once an association has outreached with its community to identify its vision and goals, established criteria for selecting projects that help them accomplish their vision and goals, and selected project(s) that have

strong community support, then the association can begin with the actual physical master planning and development of the project(s). Figure 4 illustrates the process of master planning and land development on Hawaiian Home Lands.

The top level represents the steps that the homestead association (project proponent) should complete.

- The project proponent should focus their time and attention to ensure that the community's **vision and needs** are integrated into the project.
- The project proponent should conduct a site and infrastructure assessment of the location in which they would like to implement the project in order to ensure that the location is appropriate for what they would like to do.
- A master plan should integrate and synthesize the community's vision and needs with the site and infrastructure assessment. A master plan should also include a financial plan that forecasts initial development costs, long-term operational costs, and how those costs will be financed over time.
- An EA or EIS needs to be prepared in accordance with HRS Chapter on the Master Plan. If federal funds are used for the project, then a federal EA or EIS may need to be completed in accordance with the rules and standards of the federal funding agency.
- Once Chapter 343 and federal environmental regulations are complied with, then the project proponent can proceed with obtaining the necessary permits, approvals, and proceed with construction.

The next two levels below the top level, include various DHHL staff reviews and HHC approvals the Project Proponent will need at each step.

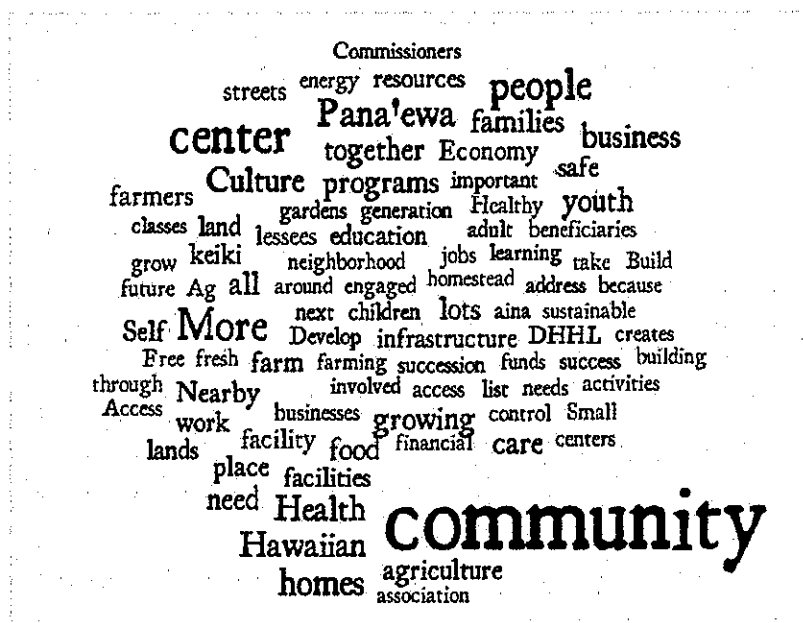
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2 Vision and Values

"The Pana'ewa Homestead is a connected community that promotes collective health and wealth, succession of generational knowledge and practices, and access to resources and services through community and agriculture activities."

This vision statement captures a desired end-state for the Pana'ewa Homestead community. For example, it captures concepts like a 'connected community,' 'collective health and wealth,' and 'generational knowledge and practices.' Taken together, it articulates the homesteaders' vision of a successful homestead community. This vision provides a unified direction for homestead, Departmental and Commission actions in Pana'ewa and provides important context for the Regional Plan Priority Projects that follow. The vision provides a steady beacon of light that remains strong, no matter what storms may roll in.

The following word cloud provides a summary of common words and themes that were recorded during a visioning exercise at the first community meeting. The meeting notes from Community Meeting #1 are provided in Appendix A in its entirety.



2 Vision and Values

2.1 Guiding Principles

The vision statement was based on the following values and guiding principles:

- Culture
- Community Facilities, Services, and Amenities
- Agriculture
- Youth
- Housing Development and Settlement on Hawaiian Home Lands
- The Economy
- Infrastructure

Culture

“Culture” is the behaviors, beliefs, values, and symbols that distinguish one group from another that is passed on through language or imitation. Culture can be seen in how we relate to each other. For native Hawaiians, an important part of culture is how we relate to the land and how we honor our ancestors. In short, culture is what is important to us. It is the legacy we want to pass on to the next generation.

Community Facilities, Services, and Amenities

Community facilities enhance our lives in many ways and come in a variety of forms. A community facility is a physical feature that requires human and financial resources and they require ongoing work. An essential part of developing a community facility is to identify where the financial resources will come from to plan and maintain the facility, and how will it meet the needs and desires of the community? The development of a community facility addresses current needs and desires of the community, while also ensuring long-term viability over the long term, to provide those facilities that will enhance the quality of life – socially, intellectually, culturally, economically, politically, and spiritually.

Agriculture

Agriculture is rooted in our culture and is the legacy of our ancestors. Agriculture provides sustenance for the people and sustainability for our natural and cultural resources. Agriculture provides an economic base for the community that uses our ingenuity and traditional knowledge. Agriculture ensures that we are productive, resilient, and self-sufficient. Agriculture ensures our survival.

Investing in local agriculture creates a self-sustaining community. As homesteaders age and a new generation emerges, labor-intensive agricultural work can be taken on by children and grandchildren, not

to exploit their labor, but to make them an integral part of the 'family business.' This gives direction and purpose for youth to pursue higher education goals, while ensuring that they come home and take over and expand the family business. If done correctly, it can help to ensure succession. Moreover, since the majority of our food is imported and not fresh, it ensures a supply of fresh produce--a means to stop the poisoning of our people with processed food. An Ag Hub to sell local produce provides a platform for more people to grow food and support their ohana. People can make money off their lots by investing in commercially viable agriculture. While startups are difficult, ag cooperatives pool together resources for community members to share the use of expensive equipment (i.e. bulldozers) to prep land and farm. As our youth observe this collective approach to agriculture and self-reliance, we pass on the legacy of our ancestors, inspiring future generations to perpetuate the work of their predecessors and community.

Youth

The youth are the future of our community. If there's nothing here for them they will leave. They need a means to stay. The data shows that there are no transitional programs for youth during afterschool, breaks, etc. There is an opportunity and need to develop a safe place for keiki during these transitional times. Programs could be developed and centered around growing farmers, growing keiki on 'āina. This creates the message for youth that "farming is sexy".

Housing Development and Settlement on Hawaiian Home Lands

Develop homes to get more people on the land. People are dying on the list. Award lands with or without infrastructure.

The Economy

A thriving economy contributes to financially self-sufficient individuals and communities. Participation in a thriving economy can help us take the leap to the next level of success.

Infrastructure

Community facilities provide a safe place for keiki to grow, learn, farm. Infrastructure and facilities built together by neighbors and beneficiaries galvanizes the community. Energy facilities such as micro-grids feed into homestead lots and relieves lessees of energy expenses which can go toward more important resources.

2 Vision and Values

2.2 Previous Planning Efforts

DHHL first developed a regional plan for Pana'ewa in 2009. The 2009 plan included a list of 15 potential projects, with five of those considered priority. The status of the top five priority projects are summarized below:

Project Description	Status
Restore Pana'ewa Family Center	Completed July 2012. See: http://dhhl.hawaii.gov/2012/07/09/panaewa-new-facility/
Expedite development of Kamoleao	In-Progress
Establish working group to improve farming at Pana'ewa	This project was broken into 12 components. Of the 12 components, two have been completed, four are in progress and the remaining components have not yet started.
Develop DHHL industrial lands/generate income	Not Started
Improve Pana'ewa road infrastructure	Not Started

2.3 Methods & Approach

The approach emphasized broad publicity of community meetings through mail-outs of meeting notices, sharing of ideas through a variety of methods, meeting with smaller groups as appropriate such as the community or farmers associations to delve into more detail on ideas, and providing adequate time and diverse means to review the draft plan recommendations.

The timeline for this plan update was as follows:

March 8, 2016: Community Meeting #1. The purpose of this kick-off meeting was to explain the purpose of a regional plan, the reason for this update, the planning process and schedule, and to seek input on concerns, opportunities, values, and visions. DHHL mailed meeting notices to beneficiaries in the Hilo region. Participant responses to questions such as "What does a successful Pan'ewa look like" were collected on post-it notes (one idea or issue per post-it note) and organized on large chart paper by subject area. The common themes and ideas that came out of the meeting helped to develop values statements. This information was then used to develop an overall vision for Pana'ewa. See Appendix A for a more detailed record of the meeting.

April 5, 2016: PHHLCA Meeting #1. The purpose of the meeting was to review the results of Community Meeting #1 and to inform the PHHLCA board about the upcoming Community Meeting #2 format.

April 16, 2016: KPFA Meeting #1. The purpose of the meeting was to review the results of Community Meeting #1 and to inform the KPFA board about the upcoming Community Meeting #2 format. The KPFA board provided an update of their programs and services, as well as the status of a survey they plan to send out to members.

April 30, 2016: Community Meeting #2. The purpose of this meeting was to review and affirm the draft vision statement, discuss the issues and opportunities identified in the first meeting, and develop projects to address issues and concerns. The meeting was an all day workshop to provide the space and time for collective dialogue and project development. The last portion of the meeting was reserved for a project matrix exercise where projects were measured and categorized by level of difficulty and level of impact to identify priorities. See Appendix B for a more detailed record of the meeting.

June 7, 2016: PHHLCA Meeting #2. The purpose of this meeting was to present two draft priority projects (Kamoleao and Family Center Expansion) that were developed based on community input from Community Meeting #2. The board provided further feedback and guidance to refocus and redirect both projects. Specifically, the board wanted to: 1) develop a new Master Plan for Kamoleao—one that considers the entire property; and 2) reevaluate the management of the Family Center and Park facilities.

July 16, 2016: KPFA Meeting #2. The purpose of this meeting was to present two draft priority projects (Agricultural Capacity Building and Agricultural Coop) to the KPFA board. While the board supported both projects, the agricultural cooperative idea was removed from the priority project list to help focus resources on the farmer's market and agricultural training center idea.

September 7, 2016: Community Meeting #3. The purpose of this meeting was to present the Draft Pana'ewa Regional Plan to the community and solicit feedback. A web link to the draft plan was included in the meeting notice to provide review time prior to the meeting date. Based on the sentiments heard at the meeting, the plan was not ready for Commission approval and needed substantive revisions to several sections including adding a new priority project to address traffic related issues and updating other priority projects for clarity. An additional follow-up meeting was proposed to provide the community with an opportunity to review the revised plan prior to seeking Commission approval.

December 1, 2016: Community Meeting #4. The purpose of this meeting was to review the revised Draft Pana'ewa Regional Plan. The community expressed their gratitude to DHHL staff for working closely with the community to address their concerns which were reflected in the plan. DHHL received community consensus on the revisions.

2 Vision and Values

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3 Planning Area

3.1 Location

The Pana'ewa Planning Area is located in the Waiākea ahupua'a, South Hilo District, island and County of Hawai'i. It includes approximately 3,200 acres owned by DHHL designated in the U.S. Census as Pana'ewa (Agricultural), Pana'ewa (Residential), and Waiākea (see Figure 5). It is in the heart of Hilo close to schools, parks, shopping, and jobs.

The Hawai'i Island Plan (DHHL 2009) designated the lands in the Planning Area into the following land uses categories (see Figure 6):

- Residential
- Supplemental Agricultural
- Subsistence Agricultural
- Community Use
- Commercial
- Industrial.

Based on the Island Plan land use designations, the Planning Area could be classified into the following sub-areas (see Figure 7):

- **Homestead Lots.** This sub-area includes the lands leased to homesteaders, designated Residential, Supplemental Agriculture, or Subsistence Agriculture.
- **Core Commercial/Industrial Area.** This sub-area includes the lands intended to generate revenue for the Department to carry out its trust purposes, designated Commercial or Industrial.
- **Kanoelehua Industrial.** This sub-area is to the west of Kanoelehua Avenue as part of the Kanoelehua Industrial Park, designated Industrial to also generate revenue.
- **Outlying Unencumbered Large Parcels.** This sub-area includes five unencumbered parcels not directly connected to the above sub-areas, designated Commercial, Industrial, Subsistence Agriculture, and General Agriculture.

3.2 Regional History

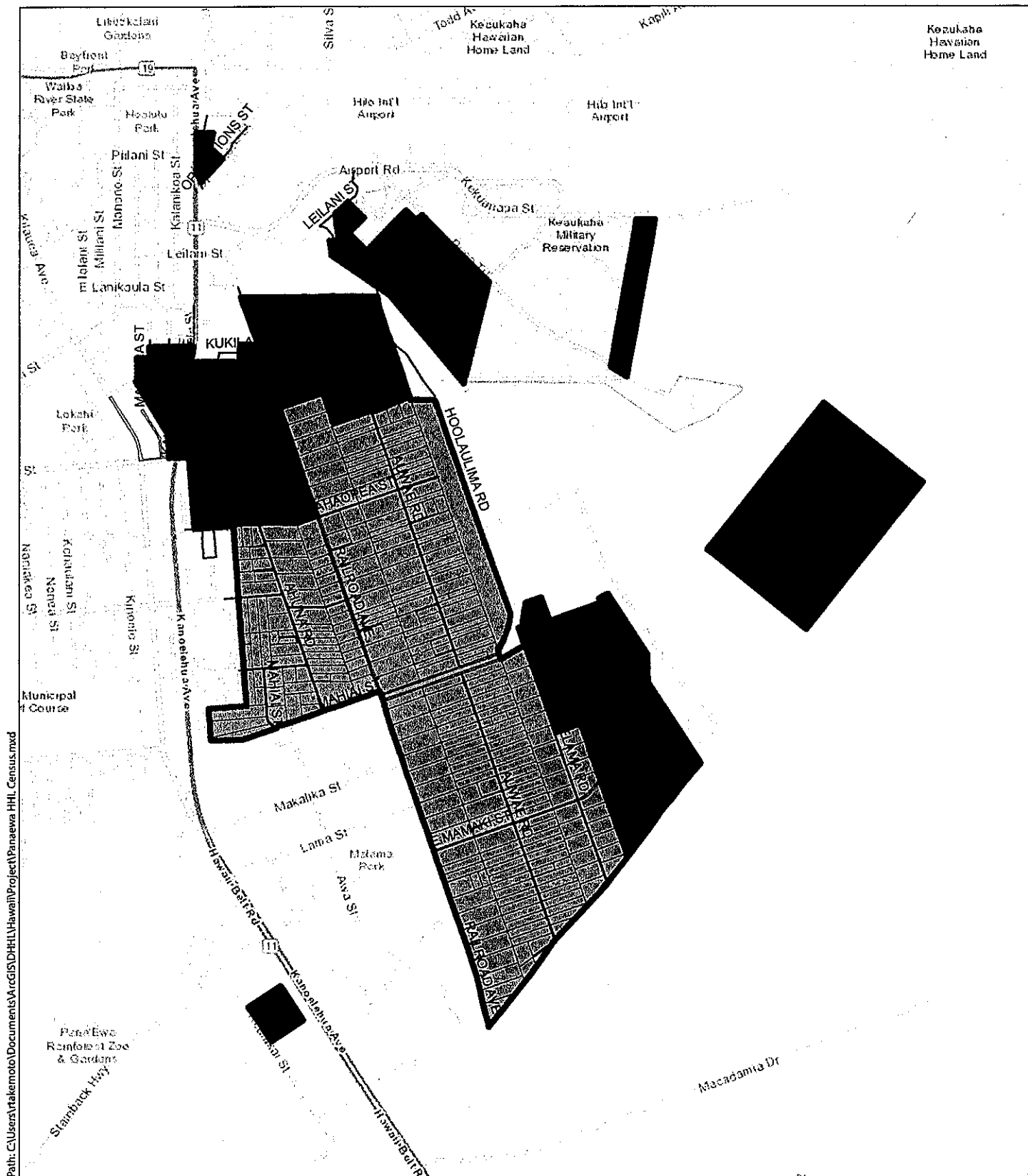
Pana'ewa is known as a special forest bordering the Hilo and Puna districts. It is documented as a lush and healthy forest with the largest 'ōhi'a lehua trees. This forest was named for the infamous mo'o deity Pana'ewa who lived in this forest. The imagery of this mo'o or lizard is the equivalent of a large dragon-type character. The mo'o is considered a water creature who lives in or is part of a watery landscape. The relevance of the mo'o and forest adds another descriptive dimension to this forest-- this forest is wet and soggy. It was in this forest that Hi'iaka defeated the supernatural woman, Pā'ie'ie and her mo'o companions.

'Ōhi'a is often associated with Pele and her beloved sister Hi'iaka. It is the first hardwood tree known to grow on the lava beds, helping to soften the lava, allowing other plants to grow around it. Of all the forested areas on the island of Hawai'i, Pana'ewa is the only one specified in the epic stories of Pele and Hi'iaka.

Pana'ewa is a part of Hilo within the ahupua'a of Waiākea. Hilo itself has always been a center of political activity for the ruling chiefs since the time of 'Umi-a-Liloa the first to unite the Big Island in the 16th century. Prior to King Kamehameha beginning his quest to unite the Hawaiian Islands, Hilo served as the royal seat of power for Kalani'ōpu'u. When Kalani'ōpu'u died in 1782, Kamehameha eventually usurped power from Kalani'ōpu'u's son Kiwala'ō that same year.





After Captain Cook's arrival in Hawai'i in 1778, Hilo became a major port for foreign ships to refuel and seek shelter after a long journey across the Pacific Ocean. When sandalwood was discovered in the forests of Hawai'i, Hilo like many coastal areas served as a central location for the loading of this valuable timber product onto China bound schooners. Once Hawai'i's sandalwood stock was decimated by excessive harvesting in the 1830's, attention was focused on whaling and sugar.

Today Hilo has expanded into diversified agriculture in addition to tourism, forestry products, and research and development. It is the seat of County government and a major employment center. Hilo also serves as the home to the famed Merrie Monarch Festival which promotes and perpetuates the Hawaiian culture through hula.



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-  Planning Area
 Panaewa (Agricultural)
 Panaewa (Residential)
 Waiakea

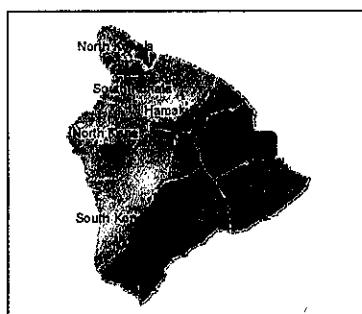


FIGURE 5
Planning Area
Pana'ewa
Regional Plan Update

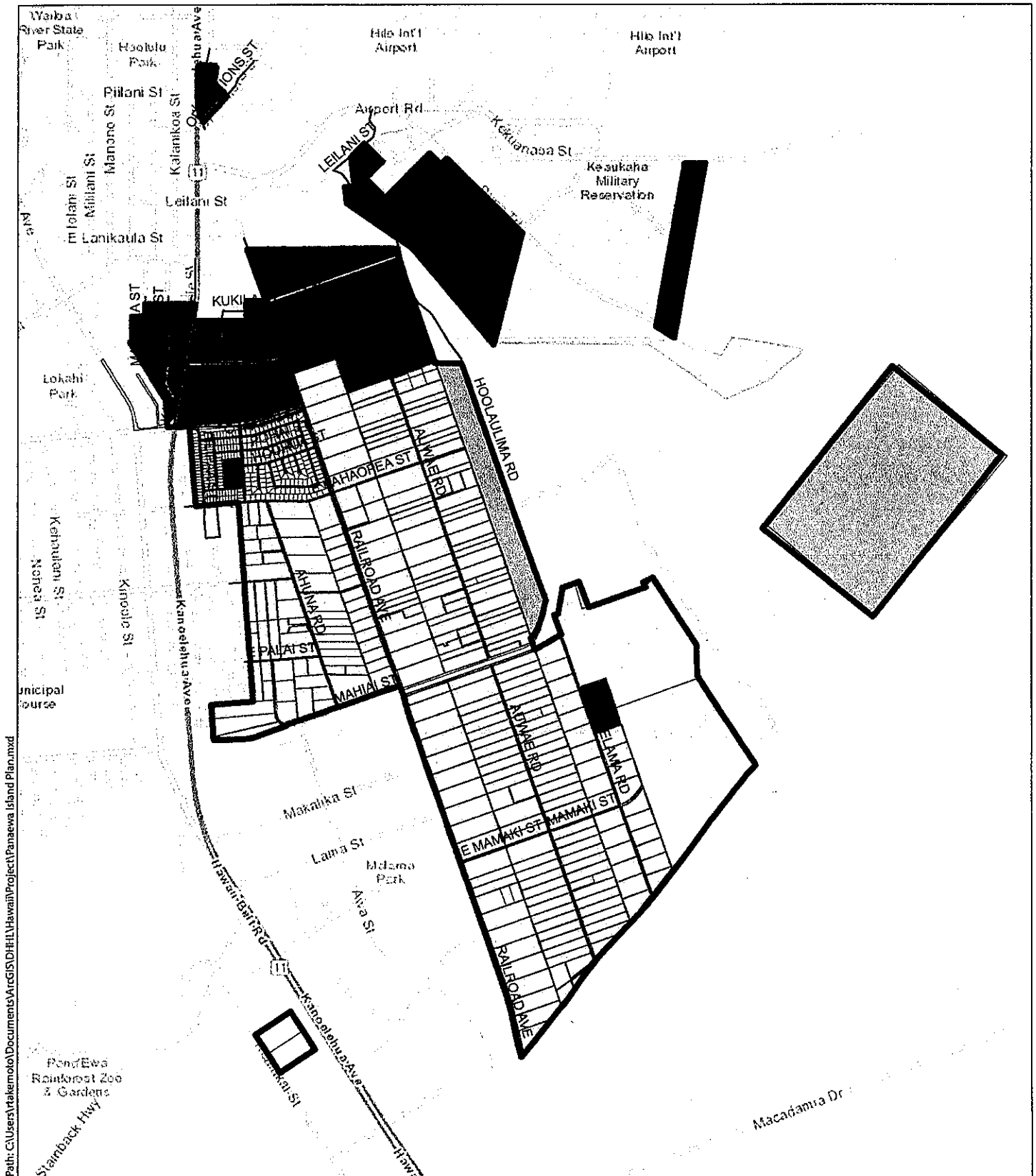
Department of Hawaiian Home Lands

Island of Hawaii



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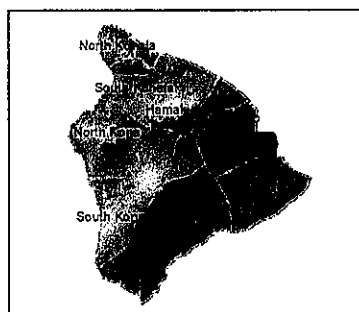
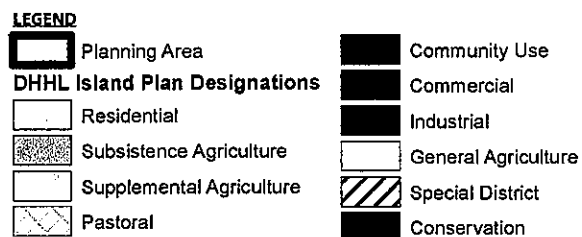
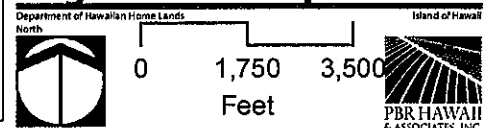
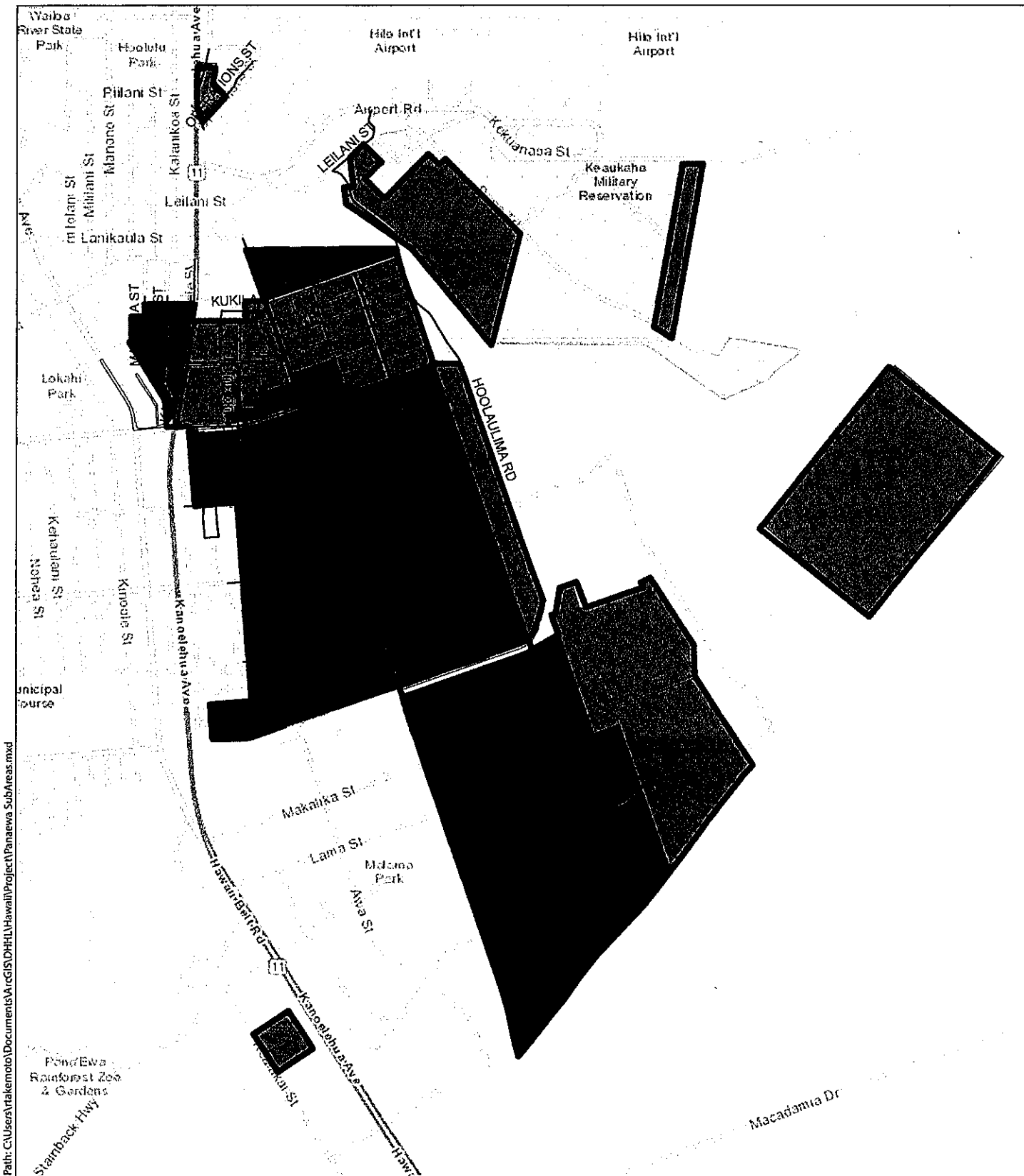


FIGURE 6
Hawai'i Island Plan Land Use Designations
Pana'ewa
Regional Plan Update











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-  Planning Area
- Sub-Areas**
-  Homestead & Community Use
-  Core Commercial-Industrial
-  Kanoelehua Industrial
-  Quarry (Yamada)
-  Outlying unencumbered

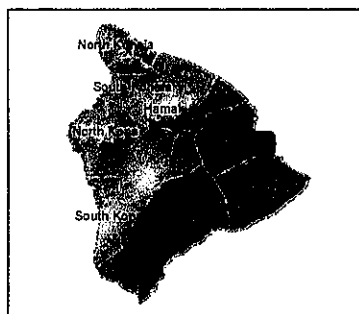
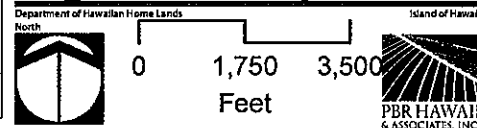


FIGURE 7

Planning Sub-Areas

Pana'ewa

Regional Plan Update



3 Planning Area

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4 Existing Land Uses

4.1 Total Lots and Acreage

In an effort to address the indignities faced by the Native Hawaiian population after the overthrow of the monarchy in 1893, Prince Jonah Kūhiō Kalaniana'ole in the capacity of U.S. Congressman passed legislation for the Hawaiian Homes Commission Act of 1921 (HHCA) which set aside lands for native Hawaiians. In 1994, the Pana'ewa homestead increased its acreage through the acquisition of ceded lands.

The first awarding of Pana'ewa farm lots occurred in the late 1940s. The lots were formally mapped as the Pana'ewa House and Farm lots in 1976 (File Plan 1487). Kanoelehua industrial lots (aka Kaei Hana-I) created revenue-generating industrial lots in 1964 (Subdivision No. 2325). In the ensuing years, additional subdivisions have occurred that have changed the lot layout. As of 2015, the Planning Area encompasses a total of 827 lots on 3,221 acres.

Table 1. Planning Area Acreage and Number of Lots

Pana'ewa	No. of Lots	Acres
Pana'ewa Farm Lots	285	1,615
Pana'ewa Residential Lots	311	114
Pana'ewa Industrial/Commercial	115	396
Unencumbered	6	1,027
TOTAL	717	3,152

4.2 Commercial and Industrial Uses

Because of its close proximity to Hilo, DHHL land is attractive for commercial and industrial uses. The Planning Area generates the most trust revenue from general leases of all DHHL regions in the State. As of 2014, 59 of 121 Commercial or Industrial lots were unencumbered (see Figure 8). Of the 62 leased lots in the Planning Area, 45 of the lots are in the Kanoelehua Industrial Area (west of Kanoelehua Avenue), and the balance of 17 lots include the major commercial areas of Kūhio Mall, Waiākea Shopping Center, Target/Safeway, and the industrial lots along Railroad Avenue.

Most of the 62 encumbered lots have general leases with terms of 55 to 65 years. The remaining years on the lease term from 2016 are: 30 lots at 5-10 years; 15 lots at 11-20 years; and 17 lots over 20 years (see Figure 8).

4 Existing Land Uses

4.3 Homestead Uses

Residential Homesteads. Pana'ewa Homestead Community is comprised of 1,307 homesteaders who reside on a total of 394 homestead housing units. Children comprise 24.2 percent of the homestead population, while over the age of 65 constituted 7.6 percent.

Supplemental Agriculture Homesteads. There are 281 Supplemental Agriculture lots ranging in size from 1 acre to 12.5 acres (see Figure 9). The average Supplemental Agriculture lot size is 5.4 acres. The total Supplemental Agriculture lot acreage is 1,528 acres.

Subsistence Agriculture Homesteads.

Waitlist. There are a total of 12,632 applicants on the waitlist for either a residential or agricultural lease on the island of Hawai'i.

4.4 Community Uses

Two lots are designated for Community Use. Kamoleao is licensed to the Pana'ewa Hawaiian Home Lands Community Association (PHHLCA) and the Pana'ewa Community Alliance (PCA) (TMK (3) 2-2-047:075). The Pana'ewa Park is licensed to the County of Hawai'i (TMK (3) 2-2-059:011). Another lot, currently designated Commercial, has been set aside to KPFA through a right of entry (TMK (3) 2-1-025:091 (por.)).

4.5 State and County Land Use Designations

Generally, the Island Plan land use designations are consistent with the State Land Use Districts, the County General Plan designations, and County zoning. Where they may be inconsistent, DHHL may preempt the State Land Use Law and county land use regulations pursuant to the Hawaiian Homes Commission Act section 204.

4.5.1 State Land Use Districts

The State Land Use Urban District encompasses all of the Commercial and Industrial lots (see Figure 10). It encompasses only a portion of the Residential lots. DHHL's preemption applies to the Residential lots within the State Land Use Agricultural District.

The State Land Use Agricultural District encompasses the lots designated Supplemental Agriculture, Subsistence Agriculture, and Community Use, as well as the preempted Residential lots. The State Land Use Law requires a minimum lot size of one acre. Since the Subsistence Agriculture designation allows a

minimum lot size of one-half acre, DHHL's preemption applies to the Subsistence Agriculture lots within the State Land Use Agricultural District.

4.5.2 County General Plan

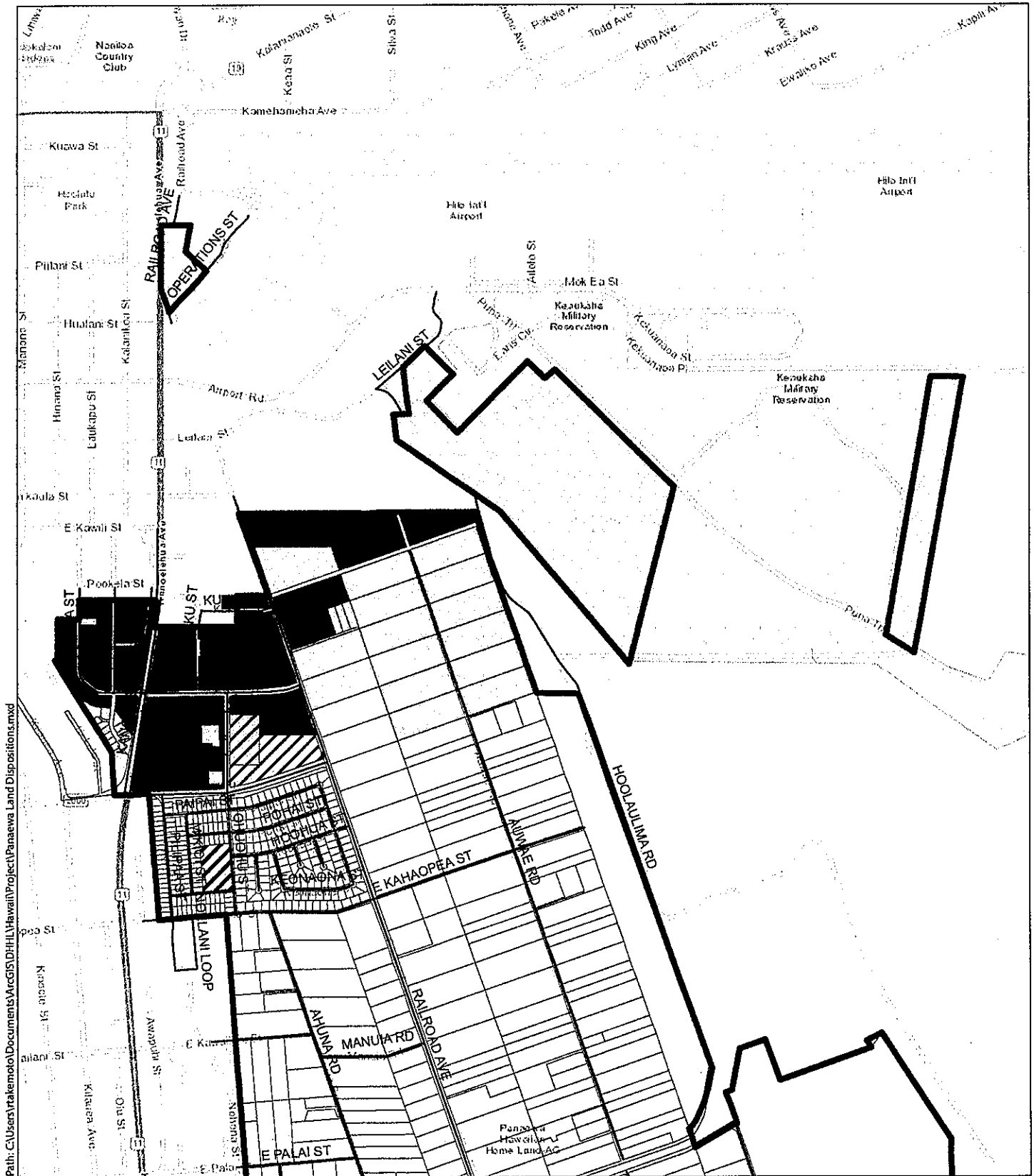
The Residential areas are consistent with the General Plan Low Density Urban designation (see Figure 11). The Commercial and Industrial areas are consistent with the General Plan Industrial, Urban Expansion, and High Density Urban designations. The Subsistence Agriculture areas are consistent with the General Plan Important Agricultural Land and Extensive Agriculture designations. The only inconsistency is the portion of the Supplemental Agricultural areas that are designated in the General Plan as Low Density Urban. The remaining Supplemental Agriculture areas are consistent with the General Plan Important Agriculture Land and Extensive Agriculture designations.

4.5.3 County Zoning

The Residential areas are consistent with the County Residential zoning districts (RS-15, RS-10) (see Figure 12). The Commercial and Industrial areas are consistent with the County Commercial or Industrial zoning districts (CG-20, MG-1a, ML-20, MCX-20). The Subsistence Agriculture areas are in the County agricultural zoning district with a minimum lot size of 1 acre where DHHL will need to apply its preemption. The Supplemental Agriculture areas are consistent with the County Agriculture zoning districts (a-20a, A-10a, A-5a, A-3a, and A-1a).

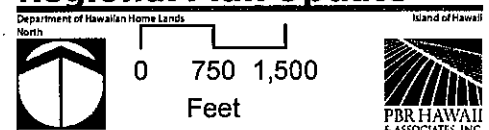
4.5.4 Surrounding Land Ownership and Uses

There are major land uses in the vicinity that generate noise and odor (see Figure 13). The County solid waste facilities (landfill, transfer station, green waste) and future Mass Transit Agency base yard lie to the east. An unencumbered DHHL parcel lies between the County facilities and the ag homestead lots. The homestead and core commercial lots are beyond the 60 ldn threshold airport noise contour. Two of the outlying large unencumbered lots are within the 55 ldn noise contour. The County drag strip borders one of the large unencumbered parcels designated for Residential homestead lots.

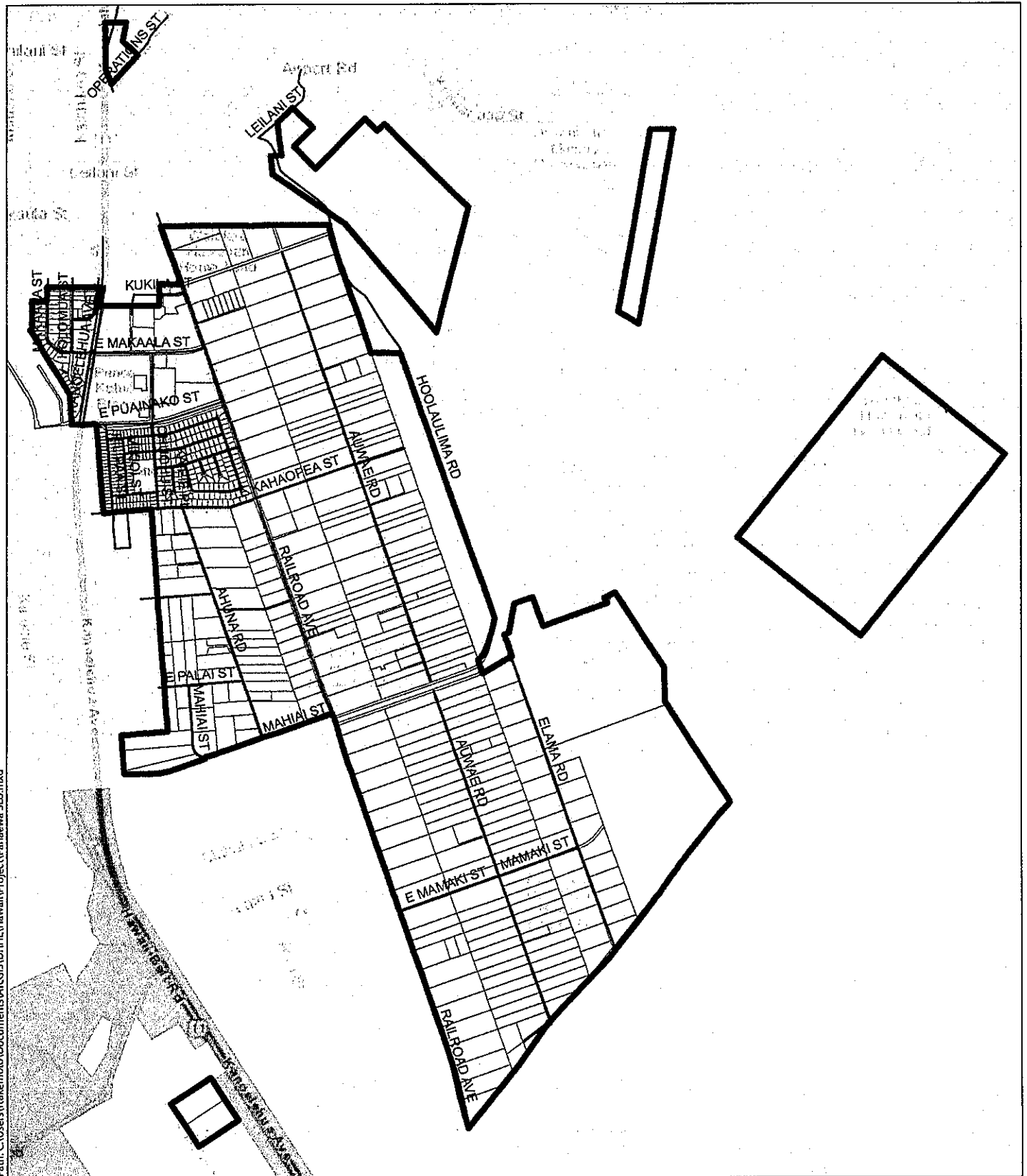


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FIGURE 8
Land Dispositions
Pana'ewa
Regional Plan Update



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

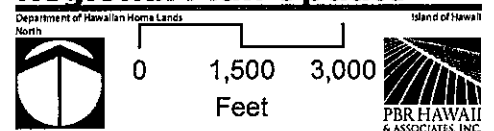
-  Planning Area
- State Land Use Districts**
-  Agricultural
-  Conservation
-  Rural
-  Urban

FIGURE 10

State Land Use Districts

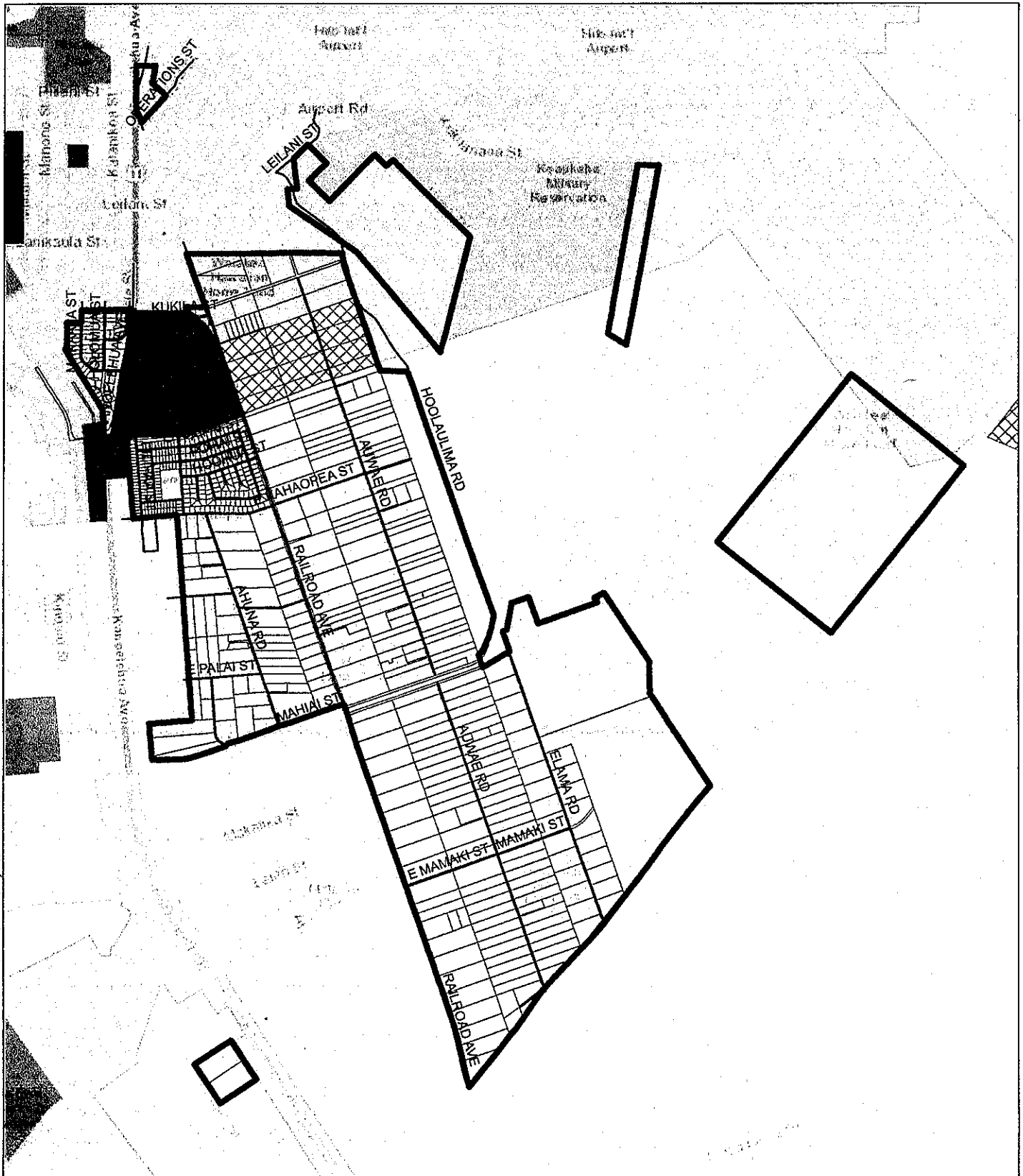
Pana'ewa

Regional Plan Update



Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.

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DATE: 8/17/2016

LEGEND

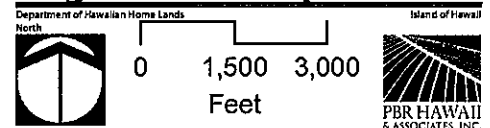
	Planning Area		Open Area
LUPAG			Important Ag. Lands
	(breakwater)		(pond)
	Conservation		Resort Node
	Extensive Agriculture		Rural
	High Density Urban		Resort
	Industrial		Urban Expansion
	Low Density Urban		University Use
	Medium Density Urban		Orchards

FIGURE 11

General Plan LUPAG

Pana'ewa

Regional Plan Update



Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.



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DATE: 8/17/2016

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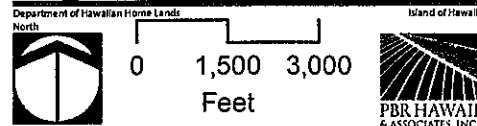
	Planning Area		CN-10
	(road)		MCX-20
	A-10a		MG-1a
	A-1a		ML-20
	A-20a		OPEN
	A-3a		RS-10
	A-5a		RS-15
	CG-20		

FIGURE 12

County Zoning

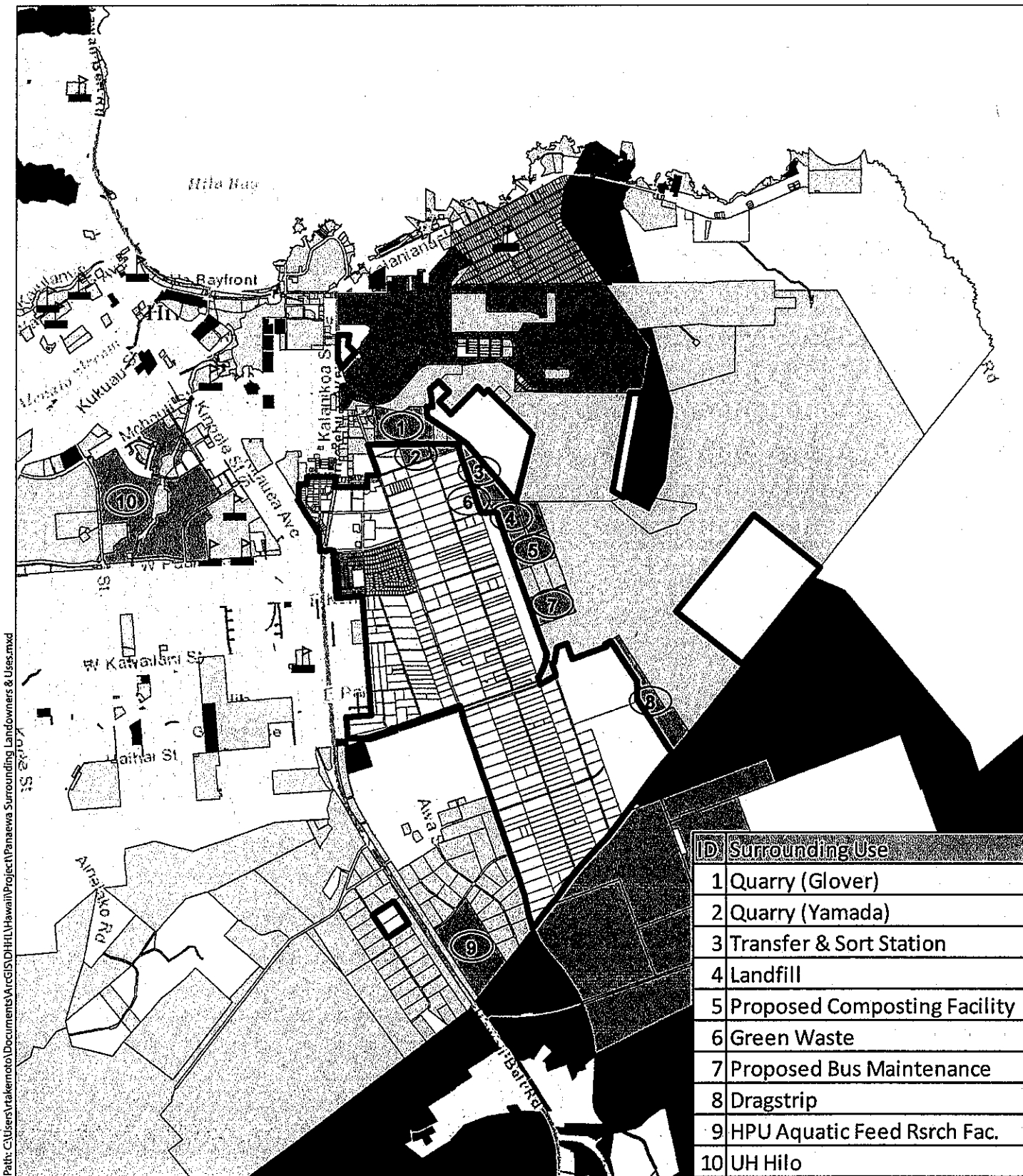
Pana'ewa

Regional Plan Update



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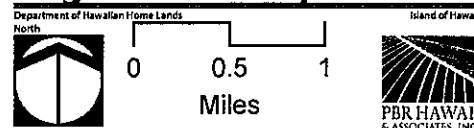
	Planning Area		Public Schools
Major Owner			Surrounding Uses
	Govt. County of Hawaii		
	Govt. State		
	Govt. State DHHL		
	Govt. State DOT		
	Kamehameha Schools		
	Royal Hawaiian Orchards		
	W.H. Shipman		

FIGURE 13

Surrounding Landowners & Uses

Pana'ewa

Regional Plan Update



4 Existing Land Uses

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5 Infrastructure

5.1 County Water System

There are County water lines along the length of Railroad Avenue and the existing Auwae Road (see Figure 14).

5.2 County Wastewater System

The County sewer system extends to a manhole serving Home Depot (see Figure 14). The Department of Health (DOH) requires connection to a sewer system for any subdivision exceeding 50 lots. The Planning Area north of Mahiai Street is within an area designated as a “Critical Wastewater Disposal Area”, where there would be a higher need to hookup to a sewer system. According to DOH Rules, lot sizes need to be a minimum of 10,000 s.f. to allow an individual wastewater system.

5.3 Road System—Existing and Planned

The County maintains the following roads in the Planning Area (see Figure 15):

- North-South: Ahuna Road, Railroad Avenue, Auwae Road, Elama Road
- East-West: Makaala Street, East Kahaopea Street, East Kawalani Street, Manuia Road, East Palai Street, Mahiai Street, East Mamaki Street

All of the above streets have two lanes. Makaala Street and Ohuohu Street (by Kuhio Mall) has sidewalks on both sides (see Figure 15). Puainako has a sidewalk on the Kamoleao side of the street. All other streets do not have sidewalks. Ohuohu and Pilipaa Streets have speed humps within the homestead neighborhood.

The long straight-aways of Railroad and Auwae Roads encourage speeding. The dead-end at Railroad harbors nuisance gatherings. Since these are County roads, DHHL will coordinate with the County Department of Public Works appropriate mitigation measures.

The State highways in the vicinity of the Planning Area include:

- Kanoelehua Avenue (Route 11)
- Puainako Street (Route 2000).

5 Infrastructure

The State has plans to widen Puainako Street outside the Planning Area from Kanoelehua Avenue to Komohana Street (Department of Transportation, Statewide Transportation Improvement Program (STIP), FY 2015-18, Project #HS-22).

The County General Plan shows an extension of Puainako Street through the Planning Area to the airport; however, the most recent State long-range transportation plan does not include this extension (Federal-Aid 2035 Transportation Plan for the District of Hawai'i, July 2014).

The County General Plan also shows a proposed connection to Railroad Avenue by a future Puna mid-level collector (also known as the Puna Makai Alternate Route), which is included in the State' long-range transportation plan. The Pana'ewa homestead community opposed the connection of the mid-level connector to Railroad Avenue in the 2009 regional plan and reiterated their opposition in this regional plan update. The connection would exacerbate the existing busy traffic on Railroad Avenue. Figure 15 recommends an alternate route to connect the mid-level to the more appropriate regional State highway.

5.4 Impacts of Future Proposed Infrastructure Facilities

The impact of existing and future large-scale infrastructure facilities on or near DHHL trust lands in Pana'ewa can adversely affect the quiet enjoyment of existing homesteaders and the future ability of DHHL to utilize trust lands for purposes consistent with the Hawaiian Homes Commission Act (HHCA). (Refer to Section 4.5.4 Surrounding Land Ownership and Uses, page 25 and Figure 13, Surrounding Landowners & Uses, page 31).

The Pana'ewa homestead community has appealed to the Department to oppose development on DHHL lands or in close proximity to DHHL lands that will hamper future development of DHHL lands for HHCA purposes or for the quiet enjoyment of agricultural/homesteading properties for existing and future beneficiaries. Based on beneficiary input, this plan recommends that DHHL actively advocate that the County of Hawaii or any other entity direct future development that is not compatible with HHCA purposes to be located well away from DHHL Pana'ewa lands.

6 Priority Projects

Beneficiaries from Pana'ewa that attended the Regional Planning meetings discussed regional issues and opportunities with DHHL. The topics discussed, while varied, focused around the values discussed in Chapter 2 (Vision and Values) including: Culture, Community Facilities, Services, and Amenities, Agriculture, Youth, Housing Development and Settlement on Hawaiian Home Lands, The Economy, and Infrastructure.

The numerous issues and opportunities identified by beneficiaries were consolidated into a list of potential projects. Meeting participants categorized the potential project list into a priority matrix that assessed level of difficulty and level of impact. Based on this group exercise, priority projects were identified as those projects with high impact despite the level of difficulty. These projects also achieve Pana'ewa's vision of creating "a connected community that promotes collective health and wealth, succession of generational knowledge and practices, and access to resources and services through community and agriculture activities."

Appendix C includes all of the potential projects and identifies those elevated to priority projects by community consensus. The details of the four priority projects described on the following pages were evaluated and expanded upon by DHHL, their consulting team and key stakeholders.

6.1 Kamoleao

Past Actions

The concept and efforts by the community to develop Kamoleao have evolved since 1986:

- **1986:** DHHL commissioned a master plan for Pana'ewa that identified 32.3 acres as the "Kamoleao Block" for community use.
- **1993:** DHHL subdivided a 7.326 portion for a parking lot needed by the Prince Kuhio Mall shopping center, resulting in a net of 24.987 acres.
- **1994:** As a community benefit, a developer sponsored the preparation of a master plan for the 24.987-acre Kamoleao site (Kimura International, March 1994) (see Figure 16). The master plan identified 3 acres for a Hawaiian Community Center, 3 acres for a cultural preservation area, and the balance of 18.987 acres to preserve the rainforest. The community center included a multi-purpose assembly hall (10,000 s.f. to accommodate a capacity of 1,425 people), one-stop Hawaiian

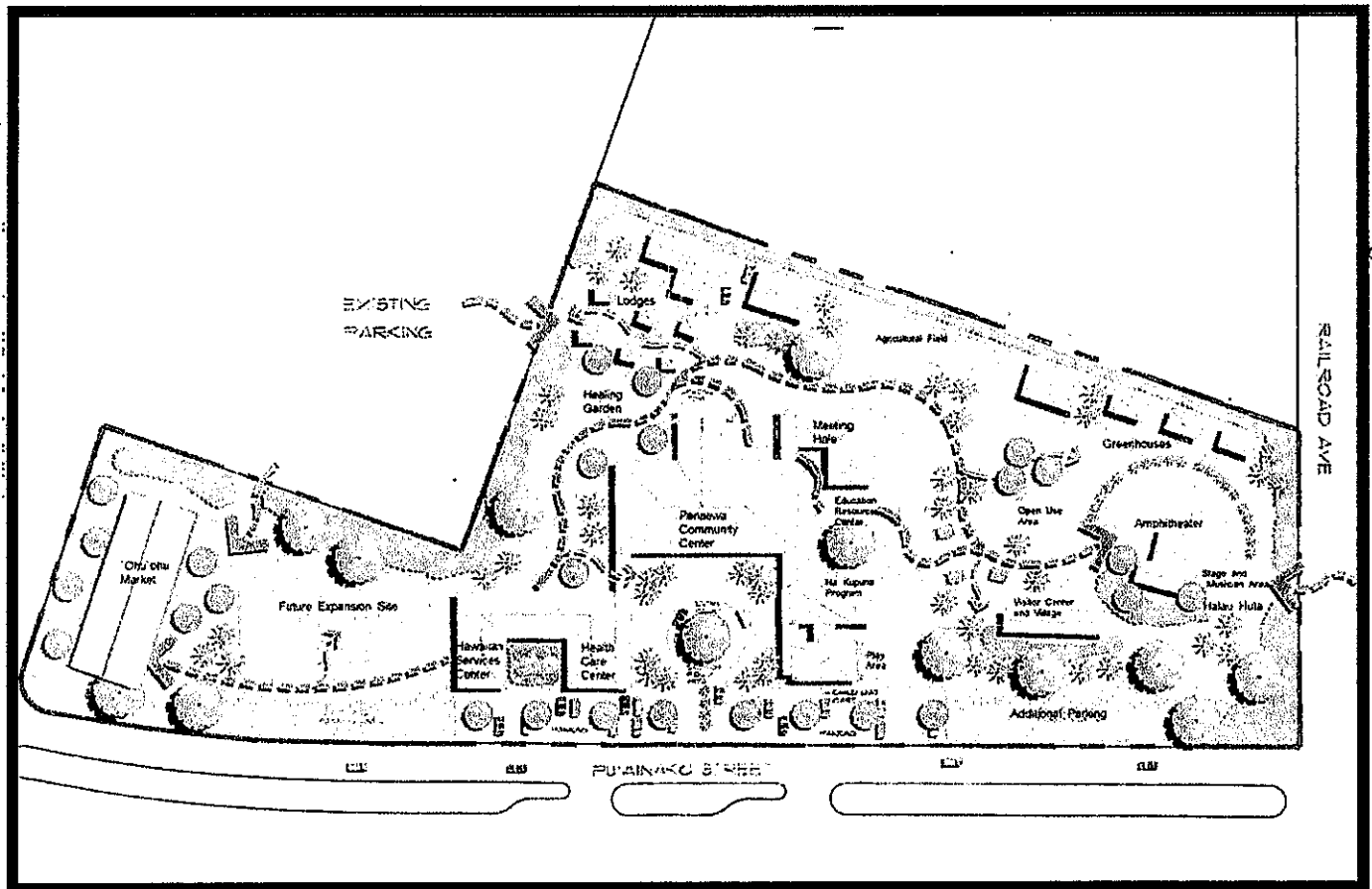
6 Priority Projects

services office complex (3,200 s.f.), childcare center (3,300 s.f.), educational resource center (2,000 s.f.), and amphitheater (750 seats). The Hawaiian Cultural Preservation Area included a sleeping hale and meeting halau, agricultural fields to teach traditional farming methods, green houses to grow traditional Hawaiian plants to restore the rainforest, Hawaiian health services, and sacred Hookupu place. The construction cost estimate for Phase 1 (see Figure 16), consisting of the 10,000 s.f. multi-purpose hall, was \$1.5 million (Charles Aina Planning & Design Consultants, 1995).

- **1995:** HHC granted a 30-year license to PHHLCA and Haola, Inc. (“Haola”), a 501(c)(3) nonprofit, for 12.77 acres (License No. 365) to develop the community-envisioned master plan. DHHL created Haola for the purpose of receiving and disbursing community benefit funds negotiated with general lessees. Haola has since been dissolved.
- **2004:** DHHL officially subdivided the 24.987 parcel to create the 12.774 acre parcel for Kamoleao (Subdivision No. 7856, TMK 3-2-2-047:075).
- **2005:** Haola Inc. prepared an illustrative master plan for the 12.774-acre site shown in the 2009 Pana‘ewa Regional Plan (see Figure 17). The site plan was essentially the same uses/services presented in the 1994 Plan except that it shifted away from rainforest restoration to focus on health care services, educational assistance, social opportunities for youth, and a market place for the Pana‘ewa farmers.
- **January 2010:** A Final Environmental Assessment (Final EA) for Kamoleao was completed by Pana‘ewa Hawaiian Home Lands Community Association and accepted by the Hawaiian Homes Commission for a 1.5 acre portion of the 12.77 acre parcel. The project described in the FEA defined and focused on Phase 1. Phase 1 consisted of an 1,800 s.f. building containing a commercial kitchen, classroom, and support facilities (e.g., parking, septic system) on about 0.5-acre, with the balance of approximately 1-acre in Phase 1 proposed for community gardens (see Figure 18). The FEA did not provide any plans for Phase 2.
- **May 2015:** Pana‘ewa Community Alliance received \$150,000 Grant-in-Aid (GIA) from the State Legislature for planning and design work.
- **September 2015:** HHC approved issuance of a new 30-year license to Pana‘ewa Hawaiian Home Lands Community Association (PHHLCA) and Pana‘ewa Community Alliance (PCA) to develop Kamoleao for purposes of a community center and other related uses (License No. 788).
- **October 2015:** Pana‘ewa Community Alliance conducted a survey of community members to reassess the needs of the community with regards to the development of Kamoleao. Based on a response rate of 27% of 301 survey forms mailed, the respondents ranked a health clinic as most important and favored the continuation of the multi-purpose room and incubator kitchen.
- **March-April 2016:** DHHL convened meetings on Pana‘ewa Regional Plan Update. During these meetings, beneficiaries identified potential activities and uses that could be implemented on the Kamoleao site.

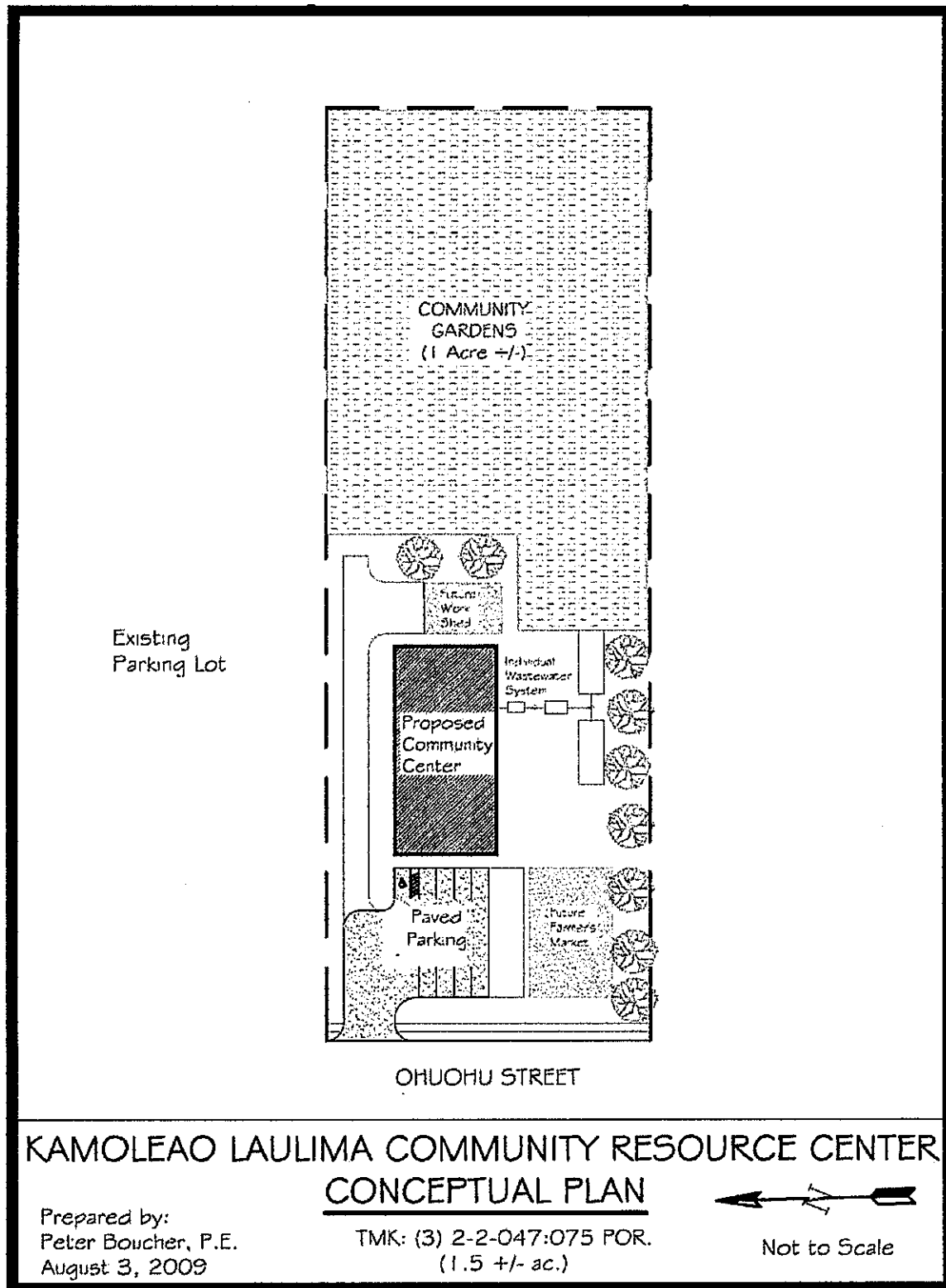
6 Priority Projects

Figure 17: 2005 Kamoleao Master Plan



Source: PBR Hawaii & Associates, Inc.

Figure 18: 2010 Kamoleao Final EA Site Plan 1.5 acres



Source: Geometrician Associates LLC

6 Priority Projects

Community Input

Beneficiaries identified the following types of activities they would like to see in Pana‘ewa:

- Open/Natural space at Kamoleao
- Health education and outreach for prevention
- Multi-purpose center as proposed in EA (Add innovation renewable energy component for findings)
- Multi-purpose facility and kitchen with multi-media
- Sewer connection to Kamoleao
- One-stop Hawaiian agencies
- Health center /medical clinic (partner with hui malama)

Many of these uses could be incorporated into the Kamoleao project depending upon beneficiary preferences and physical characteristics of the Kamoleao site.

Objectives

Kamoleao means the young shoots of the taro plant (mole) nurtured by the bright sun (ao), symbolizing “growing from the foundation of the elders.” True to its name, Kamoleao is rooted in a rich history of mana‘o and discussion (see “Past Actions” below), which created several iterations of a Master Plan. The project objectives have changed over time. Based on recent community meetings, the current objectives are as follows:

- **Health & Wellness.** Improve health and wellness by conveniently locating services that provide education, evaluation, affordable medical services, and incorporation of traditional Hawaiian holistic practices;
- **Economic Self-Sufficiency.** Provide a venue for employment training and hiring notices to implement the general lease conditions of the commercial general lessees, and for business development training;
- **Access to Native Hawaiian Opportunities.** Provide convenient access to the range of services available to Native Hawaiians by providing a one-stop consolidation of these various agencies in one location;
- **Technology Capability.** Provide a technologically equipped meeting area to enable remote learning, video-conferencing, and engaging presentations;
- **Refuge.** Incorporate into the landscaping a quiet rainforest retreat restored with plants native to the area that would be part of the holistic physical, emotional, and mental health and wellness practices.

Implementation Action Steps

The action steps to accomplish the above objectives include:

- 1) **Finalize Phase 1 Programming.** PHHLCA and PCA will need to determine whether or not to implement the Phase I development program described in the January 2010 FEA (floor plan for an approximately 1,800 s.f. building consistent with the Final EA). PHHLCA and PCA have two options:
 - a) **OPTION 1.** If PHHLCA and PCA choose to implement the development described in the January 2010 FEA, then a new EA will not be needed. PHHLCA and PCA can allocate a larger portion of the \$150,000 GIA towards design and engineering work of the project described in the January 2010 FEA. OR
 - b) **OPTION 2.** If PHHLCA and PCA instead choose to change the characteristics of the development described in the January 2010 FEA, then a new master plan and EA will need to be developed. The new master plan and EA should be done for the entire 12.77 acre parcel for both Phase I and Phase II. Some of the more popular proposed uses articulated in regional plan outreach meetings and October 2015 PCA survey results include a health center and/or a one-stop center for Native Hawaiian service agencies. During the master planning and EA process PHHLCA should obtain commitments and space requirements from those service providers. For other anticipated uses (e.g., workforce training), PHHLCA should identify partners and/or specific programs to confirm their space and design requirements.

Based on DHHL's meeting with the PHHLCA executive board on June 7, 2016, PHHLCA's preference at this time is to proceed with Option 2 and complete a new master plan and EA for the entire site. The estimated cost of a new master plan and EA is between \$80,000 and \$100,000.

Whichever option is selected and pursued, Phase 1 of the plan should be simple and attainable to ensure the project is developed within the next few years.

- 2) **Develop a Financial Plan.** Regardless of which option is chosen above, PHHLCA and PCA should develop a financial plan for design, construction, and operations of its planned facilities. The Hawai'i Small Business Development Center at the UH Hilo is available to provide technical advisory services [need to confirm]. A portion of its \$150,000 GIA could be utilized to develop a financial plan. If Option 2 is chosen, the financial plan should be included in the scope of a master plan.
- 3) **Phase 2 Master Plan** (Only if OPTION 1 is chosen). PHHLCA should use a portion of its GIA funding (\$150,000) to develop a conceptual master plan for Phase 2 uses to ensure compatibility and

6 Priority Projects

optimization between Phases 1 and 2. Potential ideas for Phase 2 uses that have been mentioned in recent community meetings are listed above.

- 4) **Sewer Line Extension.** The amount of wastewater that is generated by the Kamoleao project is unknown until definitive proposed uses of the site are clearly identified in a master plan for Phase I and II. Based on estimated wastewater generation requirements that are identified in the Master Plan for Phases 1 and 2, the connection to the county sewer system may or may not be required. If the amount of wastewater generation is low, wastewater from Kamoleao could be handled by an individual waste water system (IWS). On the other hand, if the amount of estimated wastewater is high, then connection to a county sewer system would be required. If hook-up to the county sewer system is required, the preferred sewer line extension (see attached map) is along Ohuohu Street to connect to the existing sewer line on Makaala in order to have the sewer lateral closest to the Phase 1 portion of the site. The cost of an IWS could be between \$30,000 to \$60,000 depending upon the size of the system and the existing conditions of the site. The cost to hook up to the county sewer line could be as much as \$380,000 or more.
- 5) **HHC Approval.** HHC approval of a new EA is required if PHHLCA and PCA decide to develop a new master plan and EA. Additionally, PHHLCA and PCA have inquired about amending their existing license agreement to a general lease. Any amendment to the terms of the existing license agreement would also require HHC approval. Prior to requesting a general lease from DHHL, PHHLCA and PCA need to complete a new master plan, EA, and Financial Plan. These reports would help to identify why PHHLCA and PCA's proposed plans cannot be accommodated under the existing license agreement to justify a general lease.
- 6) **Annual Review.** PHHLCA should submit an annual report to HHC to assess its accomplishments and challenges. The spirit of this report is to encourage open communication on the successes and challenges faced by PHHLCA so the HHC and DHHL is fully apprised of PHHLCA efforts and in order to encourage Departmental assistance as needed.

6.2 Pana'ewa Park & Family Center Management

Past Actions

- **1975.** HHC approved a 20-year license agreement with the County Department of Parks and Recreation to manage and operate a park on a 6.641 acre parcel of Hawaiian Home Lands.
- **1978.** County opens the Pana'ewa Park.
- **1983.** In a project spearheaded by PHHLCA, park playground equipment was installed.

- **1995.** PHHLCA worked with the County Council and DHHL to renovate the park playground. The renovation cost was \$60,000. Under the terms of the agreement, the County contributed \$30,000, DHHL contributed \$20,000, and PHHLCA covered the remaining \$10,000. Also as part of the agreement, the County requested and the HHC approved a 20-year license extension to the County for Pana'ewa Park.
- **2007.** A fire caused severe smoke and structural damage to the Family Center. County summer fun and other programs were discontinued due to the lack of useable space and facilities.
- **2009.** DHHL Pana'ewa Regional Plan identified the renovation of the Family Center as one of its priority projects.
- **2012.** Pana'ewa Park and Family Center renovation is completed and a rededication ceremony was held. The renovation was made possible in large part from the contributions of volunteers from the Pana'ewa homestead community.
- **2016.** The term of 20-year license extension with the County is set to expire in October.

Community Input

The Pana'ewa Family Center is a multi-purpose building that provides space for programs and meetings. In addition to the Family Center, Pana'ewa Park includes a playground, covered court, and ballfields. The Park, consisting of 6.641 acres (TMK 3-2-2-059:011), has been licensed to the County for operation as a public park since 1975 (License No. 6). The existing term of the license is up for renewal on October 13, 2016. The park is centrally located in the heart of the residential homesteads.

The County operates and controls the use of all facilities at the park, including the Family Center. The County uses the Family Center for County programs such as summer fun and youth intersession programs, and makes the facility available for meetings and other community or social functions. However, the County gives its programs priority in scheduling park facilities, not beneficiaries. If homestead associations request use of facilities, their request is only granted if the facility is not in use by the County at that time. After the renovation of the Family Center was complete, many of the homestead community members who had volunteered their labor on the project expected the County to reciprocate their efforts by allowing the homestead associations to utilize some of the facility for office space and storage as well as give beneficiary programs priority in reserving park facilities. However, that has not been the case as the County has not made beneficiary requests to utilize park facilities a higher priority than County programs.

Beneficiaries have expressed a desire for more direct control of the Family Center to enhance its potential as a vibrant community gathering place for social, cultural, and educational programs. In meeting with the PHHLCA executive board, the board indicated that it would like to have increased control over the scheduling and use of park facilities, but still would like to partner with the County on park maintenance.

6 Priority Projects

The potential renewal of the license agreement with the County will offer an opportunity for DHHL and PHHLCA to explore alternative management agreements with the County. Many of the ideas voiced by beneficiaries during consultation meetings could be accommodated at the Pana'ewa Park and Family Center. These ideas include:

Objectives

The County Department of Parks and Recreation has been open to negotiating various levels of shared management with other community organizations on the island. There are three levels of community commitment to share management of County park facilities. The minimum level of commitment (for example, to just help with landscape maintenance), is a friends of the park agreement where the County retains full control of the facility. The next level of commitment allows the community to control management with negotiated assistance from the County—this is the partnership or cooperative agreement. An example of a partnership agreement is the Cooper Center in Volcano Village. The highest level of commitment is a lease, where the community assumes full control of the facility.

Objectives for this project include:

- **Social, Cultural, and Educational Programs.** Provide increased opportunities for beneficiary programs for all ages (pre-school, youth, adults, seniors) to enhance the quality of life – socially, intellectually, culturally, economically, politically, and spiritually.
- **Park Management.** Increase beneficiary control over management and scheduling of park facilities.

Implementation Action Steps

The action steps to accomplish the above objectives include:

- 1) **Programs at the Park.** PHHLCA should develop a program plan for the park. The plan would identify the different types of programs and activities the association would like to offer at the park and potential program partners. For each program or activity, the plan would also identify the estimated frequency in which the program or activity would be held (daily, weekly, monthly etc.), whether the program or activity is seasonal, and number of hours per use (ex: two-hours per week or five hours per month etc.) The program plan would also identify which existing park facility the activity would take place in. The program plan would also identify more permanent uses such as space for PHHLCA storage or a computer lab.

- 2) **Cooperative Agreement.** Taking into consideration the above-mentioned PPHLCA park program plan, DHHL in collaboration with PPHLCA will develop a draft cooperative agreement. DHHL and PPHLCA will then negotiate the resultant cooperative agreement with the County Parks Department in license renewal discussions. Once the terms of a new cooperative agreement has been reached between the County and PPHLCA, the license renewal between DHHL and the County will be presented to the HHC for approval.
- 3) **Financial Plan.** Depending upon the outcome of the license renewal discussions with the County and the County's future level of financial commitment for operations and maintenance of the park, PPHLCA may need to develop a financial plan to sustainably operate park facilities. Under the existing license agreement, the County covers all park operation and maintenance costs. If the County continues its existing level of financial commitment, then a financial plan will not be needed. However, if the County decides to not fully fund the operation and maintenance of the park, then PPHLCA will need a financial plan to address potential shortfalls. A financial plan could include a schedule of fees for use of park facilities or other revenue streams such as food concessions. While the existing facilities have been recently renovated or are relatively new, the financial plan should also project major long-term maintenance projects and associated costs over the term of the new license agreement.
- 4) **Scheduling Procedures and User Protocols.** PPHLCA should develop park scheduling procedures and protocols in consultation with its members and their families. The procedures and protocols should articulate the process for reserving park facilities and reservation cancellations. The procedures and protocols could identify which types of activities and/or users are higher priority than others and therefore would receive preference in facility reservation should there be scheduling conflicts. The scheduling procedures and protocols should also identify who makes the final decision in the event of scheduling conflicts and the days and hours of park operations. A copy of the scheduling procedures and protocols should be made available at the park office as well as the DHHL East Hawaii District Office.
- 5) **Annual Review.** PPHLCA should submit an annual report to HHC by December 31 to assess its accomplishments and challenges. The spirit of this report is to encourage open communication on the successes and challenges faced by PPHLCA so the HHC and DHHL is fully apprised of PPHLCA efforts and in order to encourage Departmental assistance as needed.

6.3 Agricultural Capacity Building—Marketing and Training Center

Past Actions

KPFA has provided support and encouragement to agricultural homesteaders over the past several years:

6 Priority Projects

- **2000:** An Agricultural Task Force formed to address the challenges faced by DHHL's agricultural homesteaders. Reported recommendations in 2001.
- **2009:** Pana'ewa Regional Plan recommended formation of a working group to improve agricultural use of the agricultural homestead lots.
- **2010:** HHC preliminarily approved the issuance of a license agreement to the Keaukaha-Pana'ewa Farmers Association for a 5-acre portion of a lot.
- **2010:** Hui Mahiai O Keaukaha A Me Pana'ewa O Ka Aina Hoopulupula (the Keaukaha-Pana'ewa Farmers Association Hilo, Hawaii, By-Laws adopted.
- **2011:** KPFA released an Operations Manual for the farmers market.
- **2012:** By-Laws adopted for Keaukaha Pana'ewa Community Alliance (KPCA)
- **2012:** KPCA filed its Articles of Incorporation with state Department of Commerce and Consumer Affairs.
- **2013:** Right-of-Entry No. 482 granted to KPCA for 1.0 acre portion of parcel 3-2-1-025:091.
- **2015:** KPFA released 2nd edition of the Operations Manual to revive vendor participation.
- **2016:** KPFA sent a survey to the Pana'ewa agricultural homestead lessees to assess interests and needs.

Community Input

- Community garden (along Puainako) La'au Lapa'au
- Establish program to market ag/value-added products
- KPFA lot ROW to permanent license (1 acre to 10 acres)
- Farmer training programs
- Animal husbandry
- Hydroponics
- Shared gardening (training, Trade, Strengthen relationships)

Objectives

The Keaukaha-Pana'ewa Farmers Association (KPFA) currently holds a right-of-entry to 1.0 acre on a strategically located parcel along Railroad Avenue across from Home Depot (TMK 3-2-1-025:091 por.) (Right-of-Entry No. 482). The site provides an opportunity to synergistically combine a farmers market with an agricultural training center. By offering training or demonstration programs, the training center could be an additional attraction to bring the public to the farmers market. The training center could also be a source of produce for sale at the farmers market. The training expertise would be provided by the UH College of Tropical Agriculture and Human Resources (CTAHR) cooperative extension program. KPFA would operate the farmers market. The idea is to encourage homesteaders for the sake of health and

economic self-sufficiency to start small with subsistence agriculture to feed the family, and for those homesteaders who are interested, to scale up to commercial agriculture to supplement the family income.

Project objectives include:

- **Agriculture Business Capacity Building.** Organize a market known for quality, diversity, and food safety. Beneficiaries would like to see the existing farmers market expand for health and safety and at the very least “break-even” financially. Technical assistance programs for beneficiaries should include budgeting, financial planning, leadership training, and marketing. Emphasis should also be focused on raising awareness of and gaining access to financial capital for homestead farmers via agriculture loan or grant programs.
- **Agriculture Production Support.** Establish demonstration areas of potential opportunities, with a schedule of training sessions that address needs and interests primarily of the agricultural homesteaders from seed to harvest education and training. Training should also educate lessees on how to make decisions about what level of farming they would like to pursue (subsistence or commercial), how much land to farm, what types of crops to grow or animals to raise. Trainings should also include awareness about curtailing over-production and over-consumption of Earth's finite resources as well as lessons to teach lessees about sustainable practices such as re-using, re-purposing, and recycling resources.
- **Pooling Resources.** For small farmers to become commercially viable, it is often advantageous to pool resources to provide affordable access to facilities, equipment, and capital. Organizing into an agricultural cooperative provides a means to pool resources. Cooperatives can economize on supply inputs (e.g., seeds, fertilizers, chemicals, fuel, machinery) and/or provide economies of scale to access larger markets (e.g., Ocean Spray cranberries, Sunkist Growers). Business trainings can involve education about farming cooperative business models.
- **Interdependence.** Provide a community garden area with preference to residential homesteaders, agricultural homesteaders who want to have a more community experience, and open to the general public as space is available. The community garden, together with the farmers market and training, fosters interaction and interdependence among the residential and agricultural homesteaders.

Implementation Action Steps

The action steps to enhance the farmers market and training program include:

- 1) **Farmers Market Strategic Plan.** To supplement the Operations Manual, KPFA should prepare a strategic plan to diversify and ensure quality. Possible ideas to consider include:

6 Priority Projects

- a) Train homesteaders to serve as entrepreneur vendors who would consolidate and sell produce preferably but not limited to homestead farmers (training to include running a business, food safety, packaging);
 - b) Encourage a vendor for la'au lapa'au to demonstrate use and sell the medicinal plants grown on the Pana'ewa community use lot;
 - c) Enable EBT card acceptance;
 - d) Invite food vendors, including food trucks;
 - e) Invite supply vendors (e.g., farmer's coop, Del's, Garden Exchange, Home Depot);
 - f) Provide a central place to sign-up for community supported agriculture (CSA) with individual homesteaders or the agricultural cooperative;
 - g) Explore unmanned roadside stands for days when the farmers market is not in operation;
 - h) Provide space for nonprofits to setup fundraising booths to attract supporters of the fundraising organization to broaden market exposure.
- 2) **DHHL Collaborate and Create Formal Partnerships with Agriculture Financing Providers.** Pana'ewa beneficiaries have advocated that DHHL take a more active role in creating formal partnership agreements with organizations that could provide financing for homestead farmers. Based on their input, DHHL should (1) Identify existing funding programs that could provide assistance to homestead farmers, (2) Where there is compatibility, create formal partnerships with these funding programs via MOA/MOU and (3) Inform homestead farmers of these new formal partnerships and funding opportunities via informational meetings and other forms of communication. .
- 3) **DHHL Should Re-Assess its Agriculture Loan Products.** One of the current issues DHHL has to address and resolve with its agriculture loan products is the default rate on existing loans. Based on beneficiary feedback, DHHL agriculture loans are "out of touch" with other agriculture loan products on the market. For example, the DHHL agriculture loan interest rates are higher or are based on residential loan products rather than farming outcomes. For instance, when issuing a loan for fertilizer, the term of the loan should be based on when a farmer harvests their crop rather than an arbitrary number of years to 20-years to pay the loan back. DHHL should re-assess its agriculture loan products.
- 4) **Demonstration and Training Program.** KPFA should consider entering into an understanding with UH to have CTAHR take the lead in establishing a demonstration and training pilot program for one year. Based on KPFA's survey and input from KPFA's board of directors, CTAHR would present their proposed program to KPFA for approval. CTAHR and KPFA would devise an effective means to publicize the program. Formalize a long-term program based on the results of the pilot program.

KPFA could also provide training program for those association members interested in participating in a farming cooperative. The USDA provides technical assistance through its Rural Cooperative Development Grant (RCDG) program. The current RCDG provider of technical assistance is the Kohala Center. Technical assistance would explore topics such as potential membership and volume, identify member needs, estimate capital cost to meet those needs, explore marketing strategies, specify food safety measures, explore grant opportunities, estimate member capital contributions, and project cashflow based on alternative assumptions.

- 5) **Community Gardens.** KPFA should request CTAHR technical assistance to community garden participants through the agricultural extension's master gardener program.
- 6) **Long-Term License.** Convert the right-of-entry to a long-term license for TMK parcel (3)-2-1-025:091 based on the following steps:
 - a) **Qualified Licensee.** The licensee shall be a 501(c)(3) nonprofit corporation or agricultural cooperative organized under HRS chapter 421. The licensee need not be the current permittee under Right-of-Entry 482.
 - b) **Site Plan.** Based on input received at the September 2016 beneficiary consultation meeting for this plan, KPFA had completed an initial site plan for this parcel. However, to date, DHHL has not received a site plan from KPFA. When KPFA is comfortable sharing the site plan with DHHL, DHHL will work with KPFA to ensure the site plan incorporates any future road or infrastructure planned for the region that may affect the parcel. The site plan should identify the farmers market, parking, demonstration/training area, community gardens, and a portion for agricultural cooperative facilities. HHC would have an option to license incrementally and defer disposition of the area for the agricultural cooperative, or other shared facilities, until the cooperative or other entity is ready to present specific plans.
 - c) **Financial Plan.** If the site plan includes structures or infrastructure, KPFA or the prospective licensee shall submit a financial plan to demonstrate capability to design, construct, and operate the facilities. The Hawai'i Small Business Development Center at the UH Hilo may be available to provide technical advisory services.
- 7) **Annual Review.** KPFA shall submit an annual report to HHC by December 31 to assess its accomplishments and challenges. The spirit of this report is to encourage open communication on the successes and challenges faced by KPFA so the HHC and DHHL is fully apprised of KPFA efforts and in order to encourage Departmental assistance as needed.

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6.4 Traffic Calming and Safety Improvements on Railroad Avenue and Auwae Avenue.

Past Actions

None taken.

Community Input

Railroad Avenue and Auwae Avenue run through the heart of DHHL the Panaewa Agriculture lessee community. Both of these avenues were designed as long straight-aways (see Figure 15). Each avenue runs for almost three miles from the northern terminus to the southern terminus which is at the district boundary line of South Hilo and Puna. The population and traffic is sparse at the southern terminus of both avenues. Because of the remoteness, Panaewa Agriculture lessees have reported that there have been dangerous activities that occur at the Puna end of Railroad Avenue and along Auwae Avenue. Harmful activities such as car racing, gun shots, loitering, illegal dumping, and vandalism of lessees' mailboxes have been observed by lessees in this area. These types of activities threaten the safety of agriculture lessees and their families on a regular basis. Lessees have called the County Police Department about these issues on numerous occasions. However, the lessees report that the police do not respond to their calls. Lessees fear for the safety of their families as they have reported that the frequency of these types of activities have escalated over time.

Based on lessee observations, these activities are being perpetrated by individuals that are from outside of the homestead area. In order to prevent these types of activities from occurring, lessees would like to install a gate, signage, and speed humps along these avenues. On Railroad Avenue, lessees identified the intersection of Railroad Avenue and Pauopalae Street as a possible location to install a gate.

Objectives

The objective of this priority project is to:

Improve the safety of lessees and their families. Implementing traffic calming and safety measures should reduce and eliminate the occurrence of precarious incidents that occur along Railroad and Auwae Avenues.

Implementation Action Steps

The action steps to accomplish the above objectives include:

- 1) **Eligibility for Speed Humps.** All roads in the Planning Area, except Railroad Avenue, meet the following criteria established by the County to approve speed humps

(<http://traffic.hawaiicounty.gov/speed-hump-installation/>):

- Residential local road;
- Posted speed limit not exceeding 25 mph;
- Overall street grade not exceeding 13%;
- Average daily traffic (ADT) between 200 and 3,000 vehicles per day;
- 85th percentile speed over the posted speed limit;
- Minimum 67% support of the adjacent property owners and 100% support of the property owners with a speed hump in front of their property;
- Support of the installation by the HPD and HFD; and
- Traffic study and design performed by the Department of Public Works.

- 2) **Application to the County to Install Speed Humps.** The residents along the subject road should designate a contact person. The contact person would fill out the application form provided in the Speed Humps Application Package and submit to the County Department of Public Works Traffic Division. The Traffic Division would review the application to confirm eligibility, check with HPD and HFD, prepare the traffic study, and notify the applicant whether to proceed with the petition.
- 3) **Petition By Affected Property Owners/Lesseees.** Every property owner/lessee along the subject street must submit the petition form included in the Application Package. On the petition, the property owner/lessee would indicate whether the owner/lessee approves or does not approve the installation of speed humps, and whether the owner/lessee approves or does not approve the installation of speed humps fronting their property. Hence, a property owner/lessee could approve speed humps but not fronting their property. The sinusoidal design of the speed humps allows engineering flexibility to space the speed humps to accommodate the areas where owners/lessees disapprove a speed hump fronting their property. At least 67% of the owner/lessees must approve the installation of speed humps.
- 4) **Railroad Avenue Mitigation Measures.** Railroad Avenue would not meet the eligibility criteria for speed humps because it is a collector road with posted speed limit higher than 25 mph and relied upon more than any other road in Pana'ewa for emergency response. Complaints from lessees along Railroad Avenue include speeding, street-racing, passing in the vicinity of driveways, and nuisance gatherings at the deadend. Steps to address these concerns include:
 - a. **Minimize Traffic.** Part of the problem is the increased use of Railroad Avenue due to the inefficiencies of Kanoelehua Avenue. Although Kanoelehua Avenue is State-owned, the County maintains the traffic signals. The County Department of Public Works Traffic Division is studying the feasibility of retrofitting the signals to an Intelligent Transportation System that would synchronize the timing of the signals to optimize traffic flow. With the more efficient traffic flow experience, drivers would be less likely to divert to Railroad Avenue for the sole purpose of avoiding the Kanoelehua bottlenecks.
 - b. **Control Speed.** The posted speed limit for Railroad Avenue is 35 mph. Smart signs that flash the speed of an oncoming vehicle could help, but is not the most effective. Convincing the

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police department to spend more time monitoring this straight-away road may be the most effective. This would take the concerted lobbying by residents directly to the Police Chief with possible assistance from the County Council member representing the district.

- c. **Designate a No-Passing Zone.** Most of the driveways are between Mahiai Street and Puainako Street. Designating this segment as a no-passing zone with corresponding double striping requires the County Council to adopt an amendment to the County Traffic Code (Hawai'i County Code chapter 24). The Traffic Division could study and suggest possible pull-out areas to designate limited passing areas within this segment to accommodate impatient drivers.
- d. **Restrict Access to the Deadend.** The affected residents in the vicinity of the deadend have spoken previously with the County to identify a solution, which is a gate. The gate would be installed across Railroad Avenue just past Pauopalae Street. There is an existing street light at that intersection that should discourage gathering at the gate. The residents or DHHL should coordinate with the Department of Public Works Highways Division to install the gate.
- e. **Speed Humps on Limited Segment.** To discourage speed racing, interested residents could apply and thereby open discussions with the County Traffic, Police, and Fire to determine to what extent a limited segment of Railroad Avenue towards the deadend would be acceptable to install speed humps.

6.5 Hawai'i Island Plan Update for East Hawai'i

Past Actions

- **2002.** HHC adopts the DHHL Hawaii Island Plan. The plan articulates DHHL land use policy for all trust land on the island of Hawaii via designating trust land for the following types of uses: residential homestead, subsistence agriculture homestead, supplemental agriculture homestead, pastoral homestead, commercial, industrial, community use, general agriculture, conservation, and special district.
- **2009.** HHC approves an update of the Hawaii Island Plan in the West Hawaii region for newly acquired trust lands in Kealahou and Kalaoa.
- **2015.** DHHL considers emergency relocation of Makuu lessees to Pana'ewa. During late 2014 and early 2015, lava from Kilauea Volcano flowed towards the Makuu homestead. Lava flow got as close as a half-mile from Makuu. In response, DHHL contemplated the potential relocation of Makuu lessees to unencumbered lands in Pana'ewa. Fortunately, the relocation of Makuu lessees has not occurred to date as the lava has stopped its advance towards Makuu.

Community Input

Because of the emergency, DHHL did not go through its normal process to amend the island plan land use designation (which includes beneficiary consultation) for the Maku'u relocation in order to expedite the

development of homestead lots during this emergency situation. DHHL identified two locations for the Maku'u re-location, a 10 acre parcel (TMK (3)-2-2-061:002) on Mahi'ai Street and four 10 acre parcels (TMKs (3)-2-1-025: 006, 007, 047, 048) at the end of Auwae Street. The Mahi'ai Street parcel was designated for homestead use in the 2002 Island Plan and DHHL is proceeding to subdivide the parcel and award new homesteads on Mahi'ai Street.

However, existing Pana'ewa lessees were very concerned about the potential development of the four parcels at the end of Auwae Street into smaller half-acre subsistence agriculture homesteads. Furthermore, the Hawaii Island Plan did not designate these vacant lands for homestead use. Issues raised by Pana'ewa lessees included traffic, inappropriate lot size (too small), and compatibility of proposed smaller subsistence agriculture lots with existing large lot agriculture homesteads. During the planning process for this regional plan, KPFA provided comment that the minimum lot size for subsistence agriculture lots in Pana'ewa should be 2.5 acres.

Pana'ewa homestead lessees' primary concern with the Maku'u relocation initiative was that DHHL did not conduct beneficiary consultation prior to making this decision. As a result, they felt that the process in which DHHL made the decision to develop half-acre lots at the end of Auwae Street was not transparent and inclusive. During outreach meetings for this regional plan update, beneficiaries indicated that they wanted to ensure that in the future, there is a clear beneficiary consultation process for amendments to the Hawaii Island Plan and its land use designations so that the relationship between DHHL and its beneficiaries is improved. Prior to implementing a land use designation change in Pana'ewa, they felt that DHHL should meet and consult with the Pana'ewa community associations and during consultation, DHHL should provide an explanation for its recommended land use designation. DHHL should give weight to and incorporate the community's input into the final decision making process and DHHL should issue the final decision in writing to the Pana'ewa associations.

Also during outreach meetings, beneficiaries also mentioned that the addition of new homesteads is a vital part of their vision for a successful community. DHHL should be awarding more lands for homesteading. Additionally, in light of the Nelson Case ruling, beneficiaries would like DHHL to examine whether lands that are currently designated for commercial and industrial use could instead be utilized for homesteading as the ruling mandated the state to appropriate additional funds to DHHL for administrative and operation costs, thus there might be less of a need for these lands to be used for revenue generation. Beneficiaries also voiced that they would like to see a portion of existing commercial properties be used for beneficiary business start-ups where the intent of these dispositions would not be focused primarily on revenue generation for the trust, but rather focused on providing opportunities for beneficiary entrepreneurship.

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More specific issues that beneficiaries identified during outreach meetings that could be further analyzed in an East Hawaii Island Plan Update include):

- Amending the land use of the existing KPFA lot from commercial to community use
- Amending the "buffer strip" along Pana'ewa agriculture homesteads from subsistence agriculture to conservation
- Amending the land use of the large tract of unawarded lands on the Puna side of Pana'ewa from higher density residential homestead development to lower density subsistence agriculture.

Objectives

Objectives of this priority project include:

- **Additional Homestead Opportunities.** The East Hawaii Island Plan Update should identify areas where it would be appropriate for DHHL to provide additional homesteading opportunities and what level of development density would be compatible with surrounding uses.
- **Commercial Opportunities for Beneficiaries.** The island plan update should analyze whether DHHL would be able to afford to forego market rate rent in lieu of providing opportunities for beneficiary start-up businesses.
- **Beneficiary Consultation.** The Hawaii Island Plan for East Hawaii should establish a clear process for beneficiary outreach and input so that beneficiaries can help to identify appropriate land use designations in East Hawaii.

Implementation Action Steps

- 1) **Funding.** Staff advocate for and HHC approve funding for Hawaii Island Plan Update for East Hawaii.
- 2) **Procurement.** DHHL goes through the state procurement process to procure a professional service provider to update the island plan.
- 3) **Inform Community.** Once a professional service provider is selected, DHHL will inform community about Hawaii Island Plan update and communicate the outreach and planning process.
- 4) **Plan.** DHHL will implement the outreach and planning process in order to accomplish the above objectives. Typically, the following general approach and methodology is utilized to develop an island plan:
 - a. Identify physical characteristics of land in order to determine potential suitability for homestead and non-homestead development and uses. Physical characteristics identified

include but are not limited to proximity to existing infrastructure, natural risk, man-made hazard risks, topography, soil types, rainfall and presence of unique natural or cultural resources.

- b. Conduct survey of Hawaii Island waitlist applicants to determine housing-type preferences, location preferences, and demographic characteristics.
- c. Conduct beneficiary consultation meetings with all beneficiaries in the region to get input and feedback on preferred land uses and location of those uses.
- d. Based on the above, identify appropriate land use designations for DHHL land and priority areas for new homestead development and estimated development costs.

5) **HHC Approval.** HHC will need to approve the update to the Hawaii Island Plan.

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Appendix **A**

Community Meeting #1 – Beneficiary Consultation Meeting Notes

PANA'EWA REGIONAL PLAN—MEETING #1

GROUP DISCUSSION NOTES – Group 1

Pana'ewa Park

March 8, 2016

6:00 pm – 8:00 pm

Vision of Success

Culture

Culture brings people together by participating in shared positive activities. The culture of this place should be perpetuated for future generations.

- Regular celebrations of National Holidays by the community: Lā Ku'oko'a, Lā Ho'iho'i Ea
- Informed, engaged, and participating community
- People helping people
- Safe place
- Membership Participation in Association
- Some worthwhile project to benefit community
- Stakeholder and community leaders actively involved in the community and involved with decision makers in coordination with DHHL
- Community that acknowledges its past (history) and proud of its future—the youth
- A community with an active credible association leadership to address the needs of the community
- Members are volunteering to be on committees to better community or keep community engaged with each other and government
- Culturally vibrant in address concern
- Culture – building unity, perpetuating culture
- I believe Panaewa is getting there. We have a neighborhood watch. We want to work toward Kamoleau and gardens for families that want to grow their own veg
- What you folks doing tonight is long coming. I wish this was done long time ago. But never the less, it going to happen. I'm glad working together
- Hawaiian culture alive and well – Hula – Art – Olelo Hawaii – Singing – Protocol
- Athletic Competitions between homesteads

Agriculture (also incorporated into Culture)

Investing in local agriculture creates a self-sustaining community. The majority of our food is imported and not fresh. We need more fresh produce instead of poisoning our people with processed food. An Ag Hub to sell local produce provides a platform for more people to grow food and support their ohana. People can make money off their lots by investing in commercially viable agriculture. While startups are difficult, self-help programs pool together resources for community members to share the use of expensive equipment (i.e. bulldozers) to prep land and farm. All the while, our youth are observing this

collective approach to agriculture and self-reliance whereby it becomes second nature and they are inspired to perpetuate the work of their predecessors and community.

- Productive/vibrant farm lands
- Community gardens (residential lots) provide fresh food for all/most lessees
- More resources for the farmers – less traffic
- Lessees using the ag lands for what it was intended
- Farmers will be successful (plants, etc. growing with workers on hand)
- Families will be lending helping hands to each other to make farms and businesses prosper
- Graduates going off to college
- Lots of gardens
- Community imu
- Being self sustainable e.g. agriculture income
- Teach community to be self sustaining by growing own vegetables: 1) soil process; 2) hydroponics
- Solar grid for Ag – self sustain – less expensive – organic
- Self-help – getting people back on the land

Youth

The youth are the future of our community. If there's nothing here for them they will leave. They need a means to stay. The data shows that there are no transitional programs for youth during afterschool, breaks, etc. There is an opportunity and need to develop a safe place for keiki during these transitional times. Programs could be developed and centered around growing farmers, growing keiki on aina. This creates the message for youth that "farming is sexy".

- Variety of youth programs specific for Pana'ewa keiki – education/academic – sports

Services/Amenities

- Nearby school facility
- Health and wellness culture center
- Nearby fire department
- Nearby police department
- Nearby medical facility
- Build bowling alley
- Washerette
- Commercial eateries
- Health facility
- Safe housing
 - Evict drug house
 - Assist to fix up old housing
 - Sidewalks
 - Childcare/preschool with adult care combo
 - Self help shed for farmers with tools, large equipment, poison

Economy

- Self sufficient in terms of \$
- Education on business and financial success
- Economic guidance and well being for all businesses and ohana
- More funds for homes, farmers market, small business
- Nearby shopping
- Maximize land use for future gain
- Healthy and thriving families with job opportunities
- Business incubator to help native Hawaiian business start ups
- Access to existing funds – Nelson Case

Infrastructure

Community facilities provide a safe place for keiki to grow, learn, farm. Infrastructure and facilities built together by neighbors and beneficiaries galvanizes the community. Energy facilities such as micro-grids feed into homestead lots and relieves lessees of energy expenses which can go toward more important resources.

- Renewable energy for all lessees (reduced dependence on HELCO)
- Updated and improved infrastructure for a safe community
- Sustainable, thriving community with various resources easily accessible to the residents

Protection/Perpetuation

Develop homes to get more people on the land. People are dying on the list. Award lands with or without infrastructure.

- More leases/homes for Hawaiians
- Develop lands to build more homes for those on the waiting list
- Farm lots – those who are not using their lots should be terminated so those on the waiting list can get a farmlot – this was done in 1986 when I got mine
- Stop all Hawaiian names “Eviction” – DHHL work with families
- More Hawaiians “on” the aina
- Lowering blood quantum

Issues & Opportunities

Resources/Financing

- \$\$
- Grants are out there
- Lack of support and resources to accomplish the community's need
- Provide community heavy equipment
- Kanaka on the aina
- Release the money from "Nelson Case"
- Water Rights
- Provide affordable financing
- Issue: little to no financial support (or advertisement of) for farmers
- DHHL should help us succeed!! Rather than threaten eviction
- Resolution on Nelson case
- Reserve/separate income from general leases for Panaewa
 - What is the leave rent monies
 - Accounting for lease money to know how much
 - Beneficiaries direct where money goes
- Subdivide lands

Partnerships/Governance

- Partnerships with those who have large commercial properties leases
- Law makers need to be present at one community meeting. No one is here tonight.
- Issues: Na'i Aupuni Fed rec rules over DHHL lands

Housing Options

- More people on the land
- No housing contracts for land
- Opportunity: Immediately award lands to kanaka willing to accept no infrastructure
- Lessees renting their homes in Panaewa and Keaukaha to outsiders not Hawaiians
- Fee simple loans
- Home options 1 bedroom/3 bedroom
- Assistance in homeownership
- Private funding
- Issues: first priority get people on the waiting list a home or land; use \$13 million lease rental income to fund this
- Build affordable homes
- Restart self help building homes
- Use habitat for humanity
- Kupuna housing
- Issue: Reduce home sizes or loan amounts for elderly on the list

- Provide senior housing
- Allot funds for house repairs for those need in form of grants especially kupunas or older residential lots

Sense of Community

- Opportunity: Sufficient open lots in various "zones" – promote native Hawaiian business and increase beneficiaries on aina
- Farmers come together to help develop each other's properties – sense of community
- Too much infighting
- Lack vision; unable to move ahead
- Opportunity: close proximity to town. Ease to outreach to people from outside community. Develop more revenues for community
- Poor leadership; and people (good people) are unwilling to get involved.

Programs

- Housing assistance
 - Identify/increase options
 - Move-in ready/affordability
- Financial literacy
- Holistic programs
- Capitalize on skill-set of community
- Farming/Ag training
- Entrepreneurial classes
- CRN Nursing classes
- Provide training workshops
- Our youth will be more Akamai by participating in community activities whether it's farming – or helping to direct groups in different activities

Infrastructure

- Fill gap areas: cheaper ag water rates and water (free water); install photovoltaic on roofs (leasing) cheaper energy
- Provide neighborhood transportation

Waitlist

- Plans derived for Makuu farmers – but they refused to move – funds already expanded for development should be continued for homes for those on waiting list
- Opportunity: build homes for waitlist people using lands earmarked for Makuu
- Help to create homesteads on our other trust lands – Piihonua – Lifting moratorium on agriculture was to help lessees provide for land for their ohana.
- Stop lessees from selling vacant lands...no conditions

Who should we contact? Who should participate?

- Hawaii Community College in collaboration with Alu Like (for training programs)
- Waitlist/applicants
- DHHL Leadership
- Farmers
- Residential
- Construction companies (for pro bono work)
- Kamehameha Schools (develop programs; help with developing facilities)
 - East Hawaii Regional Team
 - Community Education Division
- DHHL has to be more involved after the planning phase and truly support beneficiaries

Appendix **B**

Community Meeting #2 – Beneficiary Consultation Meeting Notes

PANA'EWA REGIONAL PLAN -- MEETING #2

MEETING NOTES

Waiākea Elementary School

April 30, 2016

9:00 am -- 3:00 pm

Questions/Comments from meeting participants on Introductory Presentation (see Power Point):

- I don't see discussion on 1/32 succession that we mentioned last meeting as part of vision
- Where in this are we going to be able to address the land use issues in our community? Is that on the agenda today, not only talk about projects
- Can we develop a consultation policy for land use amendments specific to Pana'ewa and put into regional plan? Will Hawaiian Homes Commission (HHC) and DHHL honor that?
- Is every single ag lot occupied by lessee?
- Can you clarify, is the whole yellow box for KPCA? Farmers market is only 1 acre but want to expand to 5 acres

Presentation by Pana'ewa HHLCA

- In 1993, establish as a multi-million dollar corporation
- 1995 – Hāola Inc. – did study to determine what programs were wanted in community; did vital statistics study: avg amount of \$ income; who lives in home; demographics of our community
- Started with playground, then enclosed the open pavilion,
- Summer programs, hula, etc. the park wasn't enough room – so we developed Kamoleao Plan
- We used to use forest area before it became a parking lot; that was the last lowland lama/Hala forest intact; community was torn by that; went after land at Kamoleao to protect rest of forest
- Rehabilitation Act – when you are looking at developing land – homestead (farming per Webster)
- We went after Waiākea Center money in lease agreement - \$ directly to community - \$100K annually; we didn't want the money originally but wanted them to build us the community center
- Kamoleao was named by Pua Kanaka'ole

- Wanted a stone wall around entire area – wanted a Pu‘uhonua; created a Wahi pana
- The community center was the forest first – not the building
- Kamoleao is surrounded by commercial, AG, and residential – how do we heal/rehabilitate with buildings?
- Did recent survey – strong support for health care facility – 3,000sqft concentrated facility;
- It's gotta be self-sustainable; can't live on grant alone; needs a return to manage the facility

Keaukaha - Pana‘ewa Farmers Alliance

- 280 leases on 1600 acres of land at lots
- Have a ROE for land – what we have is an education center where UH professor – Dr. Sakai is giving classes – open to community and public (want to expand to organic hydroponic system)
- Have a water meter now – hoping to submit a plan to open up more of the land; offices; open for farmers to utilize
- Here's our issue – doing a survey for all of our farmers so we can better identify the needs for them
- We need help with association and our board – if you are an AG lessee please get involved

Participants then broke-out into two groups. Each group had the opportunity to talk about two topics: **Community Facilities** and **Agriculture Programs**. Participants suggested possible projects and programs related to the two topics.

DISCUSSION ON COMMUNITY FACILITIES

Group 1:

- We should have a small facility / pavilion to sell concessions at the community park
- Health Center
 - Services need to be affordable to people with limited income
 - The location of a health center needs to be near kūpuna. Existing health facilities are too far for kūpuna.
 - The plan 20 years ago – was a one-stop shop, center, kūpuna housing; health care is #1; can still do cultural practices near health care facility;
- The current plan for Kamoleao is a multi-purpose, kitchen and office – still in planning on 1.5 acres. The previous plan was too big; hard to implement. Taking it in phases – fulfill dreams now.

- The multi-purpose building can be used as a venue for graduation parties, weddings, gathering and convening's; 500 person occupancy.
- Big opportunity to partner with Hui Mālama Na Ola OIwi; several of its board members are Pana'ewa homesteaders.
- Hui Mālama provides health education, nurse training, outreach services and community events. Provides diabetes, cancer, hypertension, covers the whole island.
- Hui Mālama is on Railroad Avenue now, but moving to Kilauea; it is looking for a permanent site.
- Hui Mālama does not service only Native Hawaiians because of the grant money it receives, but if its located in a Hawaiian community, a higher percentage of its clients should be Hawaiian.
- One-stop institution in Pana'ewa, OHA, Alu Like, KS, QLCC. Need office space.
- Need infrastructure – need sewer line at Kamoleao (stub-out Home Depot) [site at Kamoleao]
- Preschool / after school programs / tutoring / educational programs.
- Provide meals for community – keiki and kūpuna; healthy meals.
- Cultural programs; language; knowledge of land base at Pana'ewa; know that place.
- Provide agricultural and animal husbandry.
- Location-near residential / Kamoleao is ideal.
- Native forest – if there is something there, identify where / what to save. Need to have some open space / integrate need some green.
- Take out commercial development out of future land use.
- Look at what is going around on neighboring land and look for opportunities to partner.
- No Railroad Avenue connection to Pana'ewa.
- Integrate complete streets into the design of the community. Needs to be more walkable and safer for pedestrians.

Group 2:

- Elderly housing was planned to be across the street from Kamoleao. Maybe site housing in strip on the residential side versus at Kamoleao; not at park because it is congested;

- Elderly “playground” – facility to help kūpuna exercise and stay active – there are existing models.
- Site elderly playground closer to Ohuohu Street – linkage to residential lots to facility in safe reasonable level – “complete streets.”
- Build a pedestrian bridge.
- Kūpuna housing – near farmers’ market?
- Turn Pana’ewa Park into Kūpuna Housing and then Park uses Kamoleao.
- We need a cemetery to keep our loved ones nearby.
- Lease space in commercial industrial to farmers and new entrepreneurs and small businesses. Keep the rent affordable.
- Partner / leverage surrounding uses and activities to help community.
- Access to green waste mulching.
- Health services (all) kūpuna care and community clinic in one facility.
- Possible partner – Hui Mālama at Kamoleao.
- Health Education / Prevention
- Education – history of Hawaiian Home Lands (classroom).
- Multi-media center – campus/ access/ video conferencing so DHHL doesn’t have to fly us in all of the time.
- Maintenance is expensive – need to generate money to pay for the operation of the facility. It doesn’t matter what is on the land (Kamoleao, it needs to be economically self-sustaining).
- Every general lease needs to have a community benefits agreement in it. The community needs to get something in return. It does not have to be in the form of money. The developer could build and construct the facility for us. That was the original desire of the community during the Prince Kuhio Mall construction. The developer was going to plan and design Kamoleao for us. But DHHL did not select that developer and the new developer that DHHL did select only agreed to pay the community money in annual installments. That is where we are now.
- Kamoleao is a prime area and location. Consider a mixed use facility. For instance, bottom floor could be a community center and the second floor could be medical offices.
- Every time the lease comes up for negotiation, require a CBA and money to community.
- There were lease provisions that required the Kuhio Mall lessee to provide training and employment opportunities for Hawaiians. Those provisions haven’t been enforced. We need to enforce those provisions.

- Expand the bus service to go into the homestead area so people do not have to walk to the mall to catch the bus.
- Flooding at Puainako and Kanoelehua is a safety issue.
- No Railroad Avenue Extension.
- No Leilani Road to Airport extension.
- One stop shop for Native Hawaiian services at Kamoleao.
- La'au lapa'au garden.

DISCUSSION ON AGRICULTURE PROGRAMS

Group 1

- Subsistence Ag lot size
 - Different for all islands
 - Makuu Relocation is a good example of "right" size for Hawaii Island: 2 ½ acres
- Provide definition of subsistence agriculture
- Residential parcel (in yellow) – provide sound mitigation to protect future homes (i.e. walls)
- Barriers to successful agriculture
 - Lack of loan programs
 - High start-up costs
 - Limited access to water
 - Land prep – high cost
- Help expedite farm start-ups
- If have funding/loans for agriculture, who is responsible to communicate to ag lessees?
- Agronomics H20
 - Good program, how do they get to know about it?
- Ag and pastoral lots will have failure – so have to stop this – get educated
- There was another program for people that were declined on their loan application. Where's this program now?
- Vacant lots in residential
- Who farmers need to see for ag resource programs?
- The disadvantage of doing agriculture in Pana'ewa is the cost of water – 45 cents
 - No breaks for farmers, but sources are on DHHL lands
- Agriculture is not the problem; residential use is not the problem
 - 18 year old + 30 year old + 50 years going down
- A barrier to farming (successful ag homesteading) is enforcement—there's no consequence to breaking the 'rule' of having to farm.
- Ask successful farmers how they did it? What was their motivation to farm? How did they remain focused over time?

- 2 phases – help existing farmers and put more people on land
- DHHL support existing program
- Right of Entry
- 30 years didn't farm – USDA not going give you loan
- DHHL get surplus equipment
 - Bulldozers
- For Pana'ewa, subsistence agriculture should be 2.5 acres. Anything less than that should be called residential.

Group 2

- Promote self-sustaining families first
 - Enough land to farm for entire family
 - If excess, then provide food for community, then larger region
- Preserve forest vs. farming
- Marijuana opportunity
- Diversified Agriculture
- Food sovereignty
- Backyard gardening
 - Supplement meals = save money
- Specialization among neighbors
 - Rotation between each resident
 - Sharing produce
- Farm loan – make available
- CTAHR Programs
- Dept. look for additional funding to move agriculture forward
 - From both Federal and State
- Lā'au Lapa'au gardens
 - Puainako strip?
- Hui Mālama O Na 'Ōiwi program
- Specialization among farmers
 - Bring product to farmers market
 - Need more vendors to be successful; at least 30
- Learning Center
 - Different cropping systems
 - Teach future generation
- Processing plant
 - Value-added goods
- Hydroponics
 - Soil-less, easiest, cheapest
- Ag water
 - DHHL providing proper infrastructure
 - Should be free for farming
 - Rain catchment – sometimes denied by County
 - Well water – there's lots of wells in Pana'ewa, can we have access to that water?

- 1"-meters for ag lots
 - Increase meter size
 - DHHL buy meters
- Pana'ewa should be a pilot project to push free water system
- Exchange of products for farmers
 - Mulching, soil
 - Working group to start conversation
 - Seek grant to support effort
- Not enough rain water anymore
- Water catchment on Ahuna Road
 - Denied by County because within County limits
- DOE school lunch
 - We don't have the product
- Subdivision of ag lots?
- Land use designation policy
- Opposed to residential designation
- Check vacant lots first
- Bad planning to mix residential and ag
- Concerned about density
- Continue existing programs

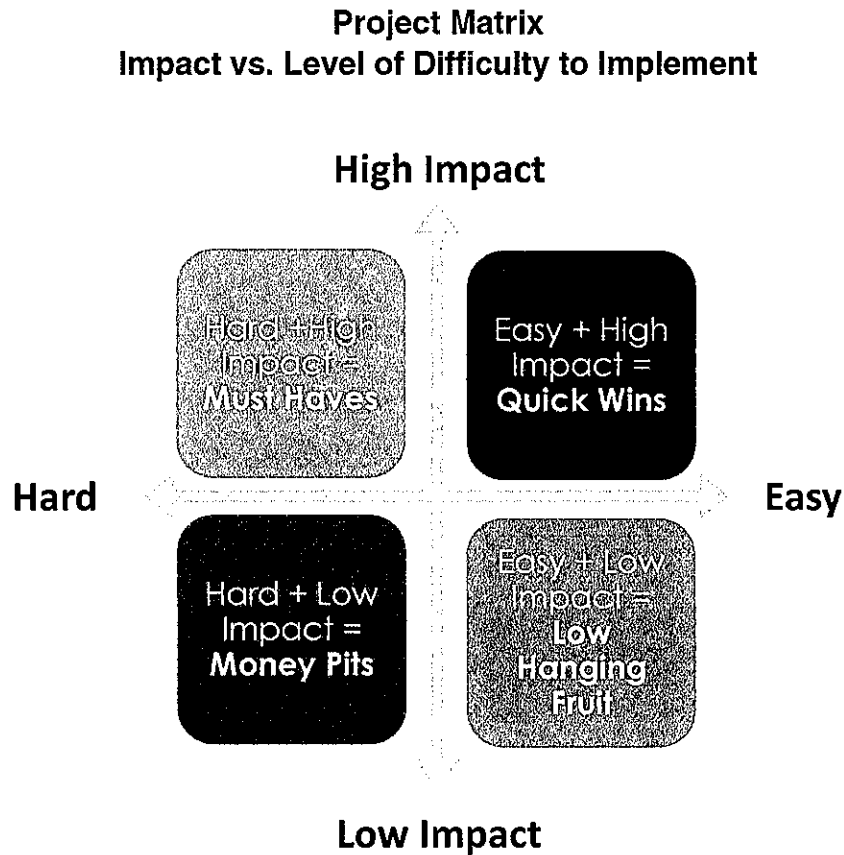
The following map and related notes, illustrates the physical location of where participants would like to see changes in their community.

Appendix C

Project Matrix

PRIORITY MATRIX EXERCISE

During the afternoon, both groups came back together. DHHL Planners and PBR Hawaii Planners led meeting participants through an exercise to prioritize the ideas that were discussed in the morning through a “Priority Matrix Exercise.” Participants were asked to prioritize the ideas discussed above by discussing whether a proposed project would have a high impact on the community as well as whether a proposed project would be easy or hard to implement.





The hand written notes in the photo above were transcribed in the notes below.

EASY / HIGH IMPACT

- Open/Natural space at Kamoleao
- Green waste mulching (access to)
- Health education and outreach for prevention
- Expand bus service
- Training and employment
- Facility
- Enforce General Lease
- Elderly "Playground" (check realtors program)
- Preschool and after school program
- Cultural programs and history of Panaewa
- Stop PMAR/Leilani connection to Railroad (advocate to County)
- Land use amendment beneficiary consultation process for Panaewa

- Multi-purpose center as proposed in EA (Add innovation renewable energy component for findings)
- Community garden (along Puainako) La'au Lapa'au
- Complete/safe streets – bus routes (Puainako – State highway tap State complete street fund)
- Multi-purpose facility and kitchen with multi-media
- Expand existing programs
- Establish program to market ag/value-added products
- KPFA lot ROW to permanent license (1 acre to 10 acres)
- Farmer training programs
- Animal husbandry
- Hydroponics
- Shared gardening
- Training
- Trade
- Strengthen relationships

HARD / HIGH IMPACT

- Sewer connection to Kamoleao
- Meals to keiki to kūpuna (certified kitchen)
- Mixed community use and commercial
- Exchange lands – outlying lands
- Senior housing (location?)
- Park – Kamoleao
- One-stop Hawaiian agencies
- Hawaiian agency one-stop
- Future development areas – partner infrastructure
- Target and expedite start-up funding programs
- Commercial /industrial incubator small business (Affordable)
- Health center /medical clinic (partner with Hui Mālama)
- DHHL assert right to free ag water
- Ag lease enforcement
- Increase water meter size (currently ag lots is 1")
- Farm-to-school
- Ag processing plant for value added products
- Community ag facility with access to shared equipment

HARD / LOW IMPACT

- Small concession facility at the community park (Panaewa Park)
- Community garden in "subsistence ag" buffer
- Cemetery

EASY / LOW IMPACT

[NONE]

OTHER ISSUES

At the end of the meeting, participants were asked if there were any other issue that they would like to discuss that was not discussed previously in the meeting. The following is a list of other issues that participants identified.

- DHHL needs to answer phones or return calls in a timely manner.
- Any new places that DHHL develops, make sure that the new use is consistent and compatible with surrounding uses. New homesteads should not be restrictive and have DCC&R's.
- How do we get more people to participate in meetings?
- Meeting should be in community in which the subject matter is being discussed.
- Meeting farm plan and financial requirements are hard.
- Don't open up Railroad Avenue and Leilani Rd to Airport to the public. But keep Leilani Road open as an emergency access route for Keaukaha only).
- Definition of sub-ag lots needs to be completed in rule before implementing sub-ag lots.
- In the Hawaii Island Plan, change the yellow area delineated for homesteading in Panaewa to agriculture.
- The agriculture program was supposed to be subsistence focused first. Any crop production in excess of what a family needs should go to the community. A farm plan should not require the farmer to generate an income.
- Existing larger lot sizes should have the opportunity to be [grandfathered into] the subsistence agriculture program. Families should have the opportunity to subdivide a larger lot so that their children can live by each other over time and don't have to move away.
- Allow accessory dwelling units.
- In divorce, a lessee and their ex-spouse may have to sell the lot in order to equitably divide their assets between each other.
- Subsistence rules – each island/place should have unique lot sizes, be flexible.
- Allow medical marijuana as a crop on homestead land?

Appendix **D**

Community Meeting #3 – Beneficiary Consultation Meeting Notes

DHHL PANAWEA REGIONAL PLAN -- MEETING #3

MEETING NOTES

Panaewa Park

Wednesday September 14, 2016

6:00 pm – 8:00 pm

- Plan should suggest ag-loan programs to expand operations.
- DHHL should make lessees more aware of resources that are out there.
- Plan not just for the 1-acre KPFA lot, but for the larger area.
- Look at state and federal funding opportunities for agriculture.
- Vote on entire regional plan, not just priority projects.
- Figure 19 – concerned that DHHL will redistribute all the land.
 - Propose deleting / more discussion needed;
 - If leased lots, DHHL needs to discuss and vet with lessees;
- County vs. DHHL land use.

Comments on Kamoleao

- Connectivity from Railroad Avenue to projects; Puna (related to multiple priority projects).
- Simplify (Kamoleao) to start with a smaller portion; one facility and infrastructure; the rest will follow.
- PHHLCA has completed design plans for a phase 1 community center and certified kitchen.
- DHHL will advocate that the County delete the Puna By-Pass Railroad Avenue connection as an option from the County General Plan. DHHL will put this recommendation into the executive summary of the Updated Panaewa Regional Plan.

Comments on DHHL Hawaii Island Plan Update Priority Project

- What is this map showing (Figure 19)? I am concerned about the recommendations in this map. It hasn't been vetted by the community.
- DHHL: To implement Figure 19, requires an Island Plan amendment. But based on previous comment, Figure 19 will be deleted.
- DHHL: Updating the Island Plan allows both DHHL and beneficiaries to take a comprehensive look at DHHL's land use designations. The plan was adopted in 2002 so 14 years have passed. Because of that, some of the recommended land use designations in the existing Hawaii Island Plan need to be re-evaluated.
- DHHL: The Hawaiian Homes Commission approved the administrative rule for DHHL subsistence agriculture program to be transmitted the Governor's Office. Once the Governor's Office reviews and 'ok's' the draft rule, the draft rule will go out for public hearing. The current draft rules that the HHC approved to be transmitted to the

Governor's Office incorporated feedback received from beneficiary consultation held in the fall of 2015. It is recommending that the minimum lot size for subsistence agriculture range from half acre to 3 acres.

- A half-acre lot is not agricultural, it's residential. I am very upset that we will not be given a chance to opine that a half-acre lot is not appropriate for Panaewa.
- DHHL: Updating the Hawaii Island Plan will be an opportunity for beneficiaries and existing lessees in Panaewa to define what they think the appropriate minimum lot size for agriculture homesteads should be.
- DHHL needs to avoid referring to subsistence agriculture as a half-acre size lot because the administrative rules have not been approved.
- We should change the title of this priority project to "Involve DHHL beneficiaries in the Update of the Hawaii Island Plan for East Hawaii."
- Area near proposed farmers' market zoned residential.
- Island Plan -- leases are ending and land is opening up. This should be considered in the Island Plan.
- Commercial leases across the highway should be a part of the Panaewa Regional Plan analysis.
- Engage the Panaewa Community in land use designations
 - Thresholds for land use (i.e. adequate water)
 - Designation prescriptives (i.e. subsistence agriculture should be 3-5 acres)
- DHHL: In the priority project write-up for Hawaii Island Plan update, we will outline in more detail the process and analysis that is involved in developing an Island Plan.
- Beneficiaries should be notified about administrative rule making, EA's and EIS's. DHHL shouldn't respond to request for comments on EA's and EIS's without consulting with communities that may be impacted by these projects.
- Plan needs to be answerable to community.

Panaewa Park / Family Center Management

- Need transparency – today!
- Community association should have a say.
- DHHL should be present at license renewal discussions with the County and PHHLCA.

Ag Training Center

- 38 respondents to survey – representative of larger group of farmers. Survey indicated that they need a processing plant, but if farmers are not ready then they don't need.
- Focus on one facility at a time.
- The Panaewa Regional Plan should incorporate the new KPFA plan to be presented at CBA meeting. The plan focuses on addressing the needs of the 38 respondents.

- USDA CF Funds – No brokerage education discussed.
 - i.e. get marketing / wholesale training
 - possible long-term initiative

Other Issues

- At the end of Railroad Avenue, there is illegal dumping, car racing, gun shots, loitering, cars end up in lessees yard. Vandalism of mailboxes.
- These activities are being carried out by others and not Panaewa residents.
- Lessees have called the police department about these issues many times, but the police do not respond.
- Possible priority project is to install a gate to prevent these activities and speed humps and signage along Railroad Avenue.
- The same situation occurs on Auwae Road. All lessees signed a petition to install speed humps except for one lessee.
- DHHL: Perhaps a new priority project should be inclusive of all traffic related issues near the agriculture lots on Auwae Road and Railroad Avenue.
- Monitor development of farm areas and uses, especially those with piggeries that produce noxious smells. Maintain farms so that it is not a nuisance.


Next Steps



- DHHL was planning to take the Panaewa Regional Plan to the Hawaiian Homes Commission for adoption in October when the Commission meets in Hilo.
- However, based on the comments and sentiments heard tonight, the plan is not ready for Commission approval and needs substantive revisions to several sections.
- DHHL will revise the plan based on the comments heard tonight and have another meeting with the community so that the community will have an opportunity to review the revised plan.
- The next meeting will probably be in November.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

August 22-23, 2016

To: Chairman and Members, Hawaiian Homes Commission

Thru: M. Kaleo Manuel, Acting Planning Program Manager 

From: Julie-Ann Cachola, Planner 
Andrew H. Choy, Planner 

Subject: For Information Only - Pana'ewa Regional Plan
Update

Recommended Action

None. For information only.

Discussion

PURPOSE

The purpose of this informational briefing is to update the Hawaiian Homes Commission (HHC) on the status of the Department of Hawaiian Home Lands (DHHL) update of the Pana'ewa Regional Plan on the island of Hawai'i.

BACKGROUND

Regional plans build a sense of community and capacity, stimulate partnerships for development and improvements, facilitate beneficiary participation in issues and areas of concern, and identify priority projects within existing and planned homestead areas. The plan may focus on a particular homestead community or several homestead communities in the region. At a minimum, the regional plans document current conditions and trends and identify a prioritized list of projects important to the community and the DHHL.

The DHHL Pana'ewa Regional Plan was adopted by the HHC in 2009. The outlook of a regional plan is typically 3-5 years. Because it has been more than five years since the

adoption of the plan and because several priority projects have been implemented or are in-progress, there is a need to re-evaluate and update the regional plan for Pana'ewa. DHHL initiated the process to update the regional plan in February of 2016. Subsequent consultation meetings with Pana'ewa beneficiaries were conducted. A draft plan will be completed in August 2016 based on those meetings (See Exhibit A).

OUTREACH PROCESS & METHODOLOGY

To date, this planning process began in February 2016. Two beneficiary consultation meetings were held in March 2016 and April 2016. In addition to conducting these meetings, DHHL staff and consultants met twice with the boards of Pana'ewa Hawaiian Home Lands Community Association (PHHLCA) and Keaukaha-Pana'ewa Farmers Association (KPFA). Table 1 highlights the following plan activities that were completed to date:

Table 1: Beneficiary Consultation Activities and Outcomes

Dates	Activity	Intended Outcome
March 2016	Beneficiary Consultation Meeting #1 held on March 8.	Introduce the planning process and planning team to the community. Identify characteristics of a healthy and thriving native Hawaiian community.
April 2016	Met with PPHLCA Board on April 5.	Learn more about current initiatives that PPHLCA is working on.
April 2016	Met with KPFA Board on April 16.	Learn more about current initiatives that KPFA is working on.
April 2016	Beneficiary Consultation Meeting #2 held on April 30.	Identify current issues, concerns, and opportunities. Create solutions related to the above and identify priorities.
June 2016	Met with PPHLCA board on June 7.	Receive feedback from PPHLCA board on draft priority projects.
July 2016	Met with KPFA board on July 16.	Receive feedback from the board on draft KPFA priority projects.
August 2016	Beneficiary Consultation Meeting #3 to be held week of September 6.	Receive beneficiary feedback and input on the draft plan.

Results of Beneficiary Consultation to Date

Through the beneficiary consultation planning process, participants identified the following as characteristics of a healthy and thriving Pana'ewa homestead community:

Culture. As we practice our cultural behaviors, beliefs, and values, we learn our deep relationship to the land and we understand how to relate to the land and how to relate to one another. As we perpetuate cultural traditions we build unity. Culture is what is important to us. It is the legacy we want to pass on to the next generation.

Community Facilities, Services, and Amenities.

Community facilities enhance our lives in many ways and come in a variety of forms. A community facility is a physical feature that requires human and financial resources and they require ongoing work. The development of a community facility addresses current needs and desires of the community, while also ensuring long-term viability over the long term, to provide those facilities that will enhance the quality of life - socially, intellectually, culturally, economically, politically, and spiritually.

Agriculture. Agriculture is rooted in our culture and is the legacy of our ancestors. Agriculture provides sustenance for the people and sustainability for our natural and cultural resources. Agriculture provides an economic base for the community that uses our ingenuity and traditional knowledge. Agriculture ensures that we are productive, resilient, and self-sufficient. Agriculture ensures our survival.

Youth. The youth are the future of our community. If there's nothing here for them they will leave. They need a means to stay. The data shows that there are no transitional programs for youth during afterschool, breaks, etc. There is an opportunity and need to develop a safe place for keiki during these transitional times. Programs could be developed and centered around growing farmers, growing keiki on 'āina. This creates the message for youth that "farming is sexy".

Housing Development and Settlement on Hawaiian Home Lands. Develop homes to get more people on the land. People are dying on the list. Award lands with or without infrastructure.

The Economy. A thriving economy contributes to financially self-sufficient individuals and communities. Participation in a thriving economy can help us take the leap to the next level of success.

Infrastructure. Community facilities provide a safe place for keiki to grow, learn, farm. Infrastructure and facilities built together by neighbors and

beneficiaries galvanizes the community. Energy facilities such as micro-grids feed into homestead lots and relieves lessees of energy expenses which can go toward more important resources.

PRIORITY PROJECT RECOMMENDATIONS

Based on the above characteristics and subsequent discussions with beneficiaries, priority projects were identified based on the community's vision and guiding principles. The priority projects identified are as follows:

1. Kamoleao Implementation - Development of a 12.77 acre parcel for community use.
2. Pana'ewa Park and Family Center Management - The potential renewal of the license agreement with the County of Hawaii for Panaewa Park should offer an opportunity for DHHL, PHHLCA, and the County to explore alternative management agreements with the County that would allow PHHLCA more control over the scheduling and use of park facilities and at the same time partner with the County on park maintenance.
3. Agricultural Capacity Building - Marketing and Training Center - Support KPFA's current and future programs and activities at its current farmers' market site.
4. DHHL Island Plan Update for East Hawai'i - The island plan update for East Hawai'i would look at opportunities for additional homesteading, commercial opportunities for beneficiary entrepreneurs, and establish a clear process for beneficiary input and consultation.

A more thorough description of these priority projects will be found in the draft plan.

NEXT STEPS FOR PANA'EWA REGIONAL PLAN UPDATE COMPLETION

- Conduct third beneficiary consultation meeting in early September to get beneficiary input and comments on draft regional plan;
- Revise draft plan per comments received at third beneficiary consultation meeting and finalize plan;
- Seek HHC approval of plan at the October 2016 HHC meeting in Hilo, Hawai'i.

RECOMMENDED ACTION

None; For information only.

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

JANUARY 23-24, 2017

To: Chairperson and Members, Hawaiian Homes Commission

From: Kaleo Manuel, Acting Planning Program Manager
Kaleo Manuel

Subject: For Information Only - Overview of the Native
Hawaiian Rehabilitation Fund (NHRF) and
Preliminary Work Plan for Strategic Review of NHRF
Revenues

I. RECOMMENDED MOTION/ ACTION

None; for information only.

II. DISCUSSION

A. Overview of NHRF and its resources

DHHL uses NHRF funds solely for the rehabilitation of native Hawaiians. NHRF funds educational, economic, political, social, and cultural programs to improve the general welfare and conditions of native Hawaiians. However, NHRF revenues have significantly declined in recent years.

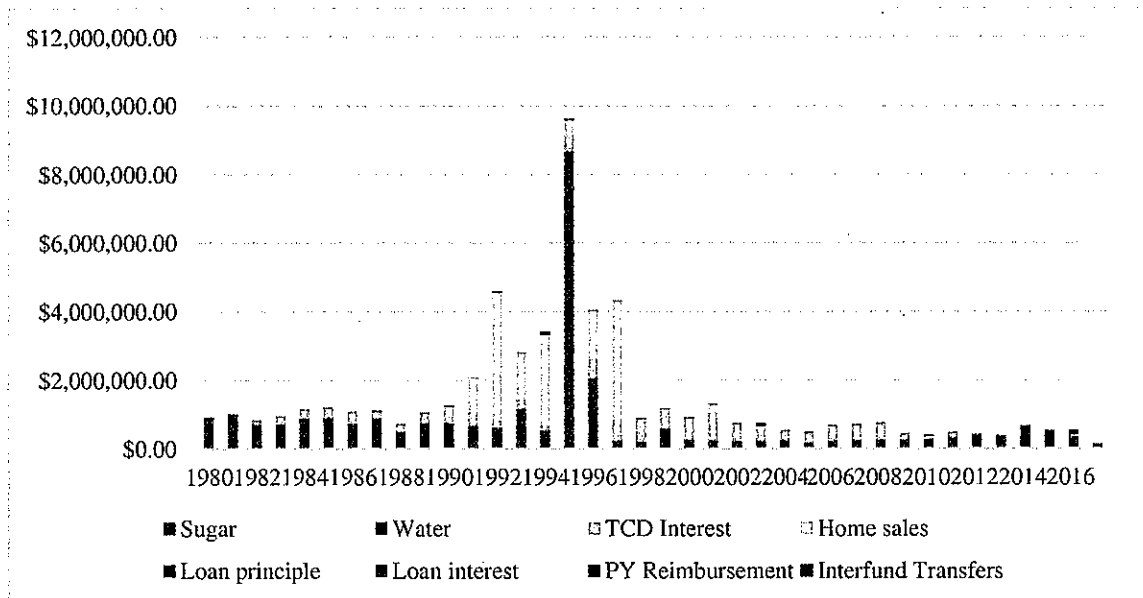
DHHL's NHRF entitlement interests derive from two categories of lands as well as all State-issued water licenses. NHRF revenues are supplied from protected lands, other sugarcane lands, and water licenses.

1. Sugarcane or "protected" lands - public lands in sugarcane production as of November 7, 1978 from which DHHL is entitled to 30 percent of lease revenue in perpetuity.
2. Other sugarcane lands - public lands disposed of after November 7, 1978 for the cultivation of sugarcane of which DHHL is also entitled to 30 percent of receipts.
3. Water licenses - water licenses, permits, or other instruments authorizing the use of government owned water in existence or effective on November 7, 1978 and/or issued subsequent to November 7, 1978.

B. Declines in NHRF funding sources

As noted in Figure 1, below, the sources of revenue to NHRF include sugar land leases, water licenses, home sales, loan principle and interest, Transfer Certificate of Deposit (TCD) investments, Prior Year (PY) reimbursements, and transfers between NHRF special and trust funds. It is evident in Figure 1 that there has been a significant decline in NHRF revenues in recent years.

Figure 1. NHRF Revenues by Type, FY 1980-2017

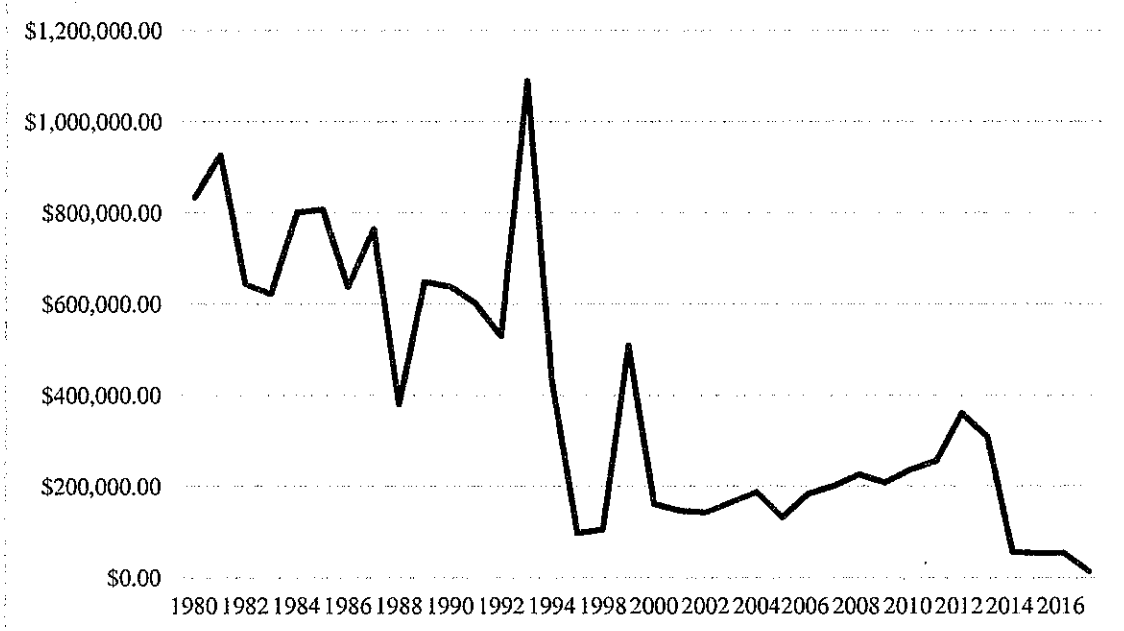


Source: DHHL Fiscal Office records.

NHRF revenues have declined in recent years due to the demise of the sugar industry in the islands, historically low investment returns on invested principal, recent policies making it very difficult to sell ceded lands, and the State's failure to issue water licenses.

Figure 2, below, illustrates how one revenue source - leasing of sugar lands - has significantly declined since 1980.

Figure 2. NHRF Sugar Revenues (excluding land sales) FY 1980-2017



Source: DHHL Fiscal Office records.

For a time (as seen in the spike in Figure 1), land sales of protected land masked these revenue declines. Sales in FYs 1994-1996 to the Hawai'i Housing Finance Development Corporation (HHFDC) account for increased NHRF revenues during those years. More than \$10.7 million was transmitted to NHRF for the sale of protected lands for affordable housing projects at Honokōwai and Leiali'i on Maui, and at Hanapēpē, Kaua'i.

NHRF is subject to conditions including requirements that: (1) NHRF monies are subject to separate accounting; (2) the State director of finance serves as custodian of the fund, and, (3) HHC must develop and implement specific guidelines for the investment of monies in the fund. HHC is permitted to expend NHRF monies for consultative services and to hire staff. Recent NHRF Trust Fund balances are presented in Table 1, below.

Table 1. Recent NHRF Trust Fund Balances (in thousands) FY 2011-2015

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Beginning Balance	\$7,742	\$7,021	\$6,018	\$5,489	\$5,709
Revenues	464	452	380	661	555
Interest	0	0	0	0	0
Expenditures	(1,185)	(1,455)	(909)	(441)	(470)
Ending Balance	\$7,021	\$6,018	\$5,489	\$5,709	\$5,794
Encumbrances	\$3,228	\$3,232	\$2,569	\$2,153	\$1,341

Source: State Auditor Report No. 15-15.

C. Legal Authorities

1. The Hawaiian Homes Commission Act of 1921

In 1921, the U.S. Congress passed the Hawaiian Homes Commission Act, which established the HHC. At that time, HHC was funded through receipt of a 30 percent share of cultivated sugarcane lands leased to sugar companies. The HHCA included a provision that permitted the most agriculturally productive of these public lands to be set aside for sugarcane leases. The Act further protected sugarcane leases from an existing legal provision that could be activated when 25 citizens applied for general homesteading.¹ "In short, [HHC] was given its 30-percent share of the sugarcane lease receipts for its program in exchange for excluding sugarcane lands from homesteading."²

2. Admission Act of 1959

The 1959 Admission Act turned the title of ceded lands over to the new State. The State also agreed to adopt the HHCA as a constitutional provision and to not reduce or impair its funds. Section 5(f) of the Admission Act put public lands into a public trust for five purposes: (1) for the support of the public schools and other public

¹ Section 73 of the Organic Act, amended in 1910, required government land leases be subject to withdrawal provisions that allowed withdrawal of those leases whenever 25 or more citizens applied for homesteading on that land.

² HHC, however, did not receive sufficient funds for its administrative costs. The homesteading program under HHCA was further criticized because Hawaiian beneficiaries were put on inaccessible, poorly watered lands and given limited funding. Auditor, State of Hawai'i, Study of Revenue Entitlements of the Department of Hawaiian Home Lands, Rep. No. 91-9, at 7 (Feb. 1991) ("1991 State Audit").

educational institutions, (2) for the betterment of the conditions of native Hawaiians, as defined in the Hawaiian Homes Commission Act, 1920, as amended, (3) for the development of farm and home ownership on as widespread a basis as possible, (4) for the making of public improvements, and (5) for the provision of lands for public use.

3. 1978 Constitutional Convention of Hawai'i

The Committee on Hawaiian Affairs of the 1978 Constitutional Convention stated that it had decided that DHHL's thirty-percent share of sugar cane land revenues "should be protected and preserved and therefore provided that, regardless of the use to which these lands are put[.]"³ Accordingly, article XII, § 1 of the 1978 Constitution provides that thirty-percent of receipts from water licenses and from lands leased for sugar cultivation as of November 7, 1978 should be transferred to NHRF, even when the lands were "sold, developed, leased, utilized, transferred, set aside or otherwise disposed of for purposes other than the cultivation of sugarcane." See Attachment "A". Article XII, § 1 also required the legislature to make "sufficient sums available" for four purposes, including "rehabilitation projects to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved[.]" DHHL's rehabilitation projects are funded by NHRF.

4. Current NHRF Provisions in the HHCA

Section 213(i) of the HHCA sets forth most of the provisions pertinent to NHRF. Thirty per cent of the state receipts, derived from lands previously cultivated as sugarcane lands under any other provision of law and from water licenses, and fifteen per cent of all revenues from lease agreements granted lease extensions pursuant to section 228, shall be deposited into this fund. The department shall use this money for the rehabilitation of native Hawaiians, native Hawaiian families, and Hawaiian homestead communities, which shall include the educational, economic, political, social, and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved and perpetuated. See Attachment "B".

³ 1991 State Audit at 8 quoting *Proceedings of the Constitutional Convention of Hawai'i at 1978*, Vol. 1, at 632-33.

HHCA provisions expanded the "rehabilitation" purposes to include more than homesteading and also expanded potential beneficiary groups from only homesteaders to also include all native Hawaiian persons, families, and homestead communities. By establishing the NHRF as a trust fund, HHC was imbued with control and trustee duties with regard to the NHRF. HHCA provisions also expand the HHC's ability to invest NHRF funds, and requires any principal and interest from investment of NHRF funds be returned to NHRF. HHC has adopted rules to establish a process that defines NHRF's program focus. See Hawaii Administrative Rules (HAR), Title 10, Chapter 3.

5. Administrative Authorities

State agencies currently managing NHRF-encumbered lands and water licenses include: DHHL, the Department of Land and Natural Resources (DLNR), the Agricultural Development Corporation (ADC), and the Department of Agriculture (DOA). DLNR and DOA's administrative rules do not include provisions specifying processes for calculating or conveying NHRF entitlements. NHRF protected lands are held by DOA as non-agricultural park lands; the leasing, management, and disposition of those lands are governed under HAR Title 4, chapter 158. The ADC has not promulgated any administrative rules. While HRS Chapter 171 provisions generally guide the disposition of state lands, DOA and ADC operate their dispositions under administrative rules as well as unwritten policies that are broadly guided by HRS chapter 171.

In 1962, the legislature enacted state laws for managing and disposing of public lands. In 1965, the State's public land laws were re-codified as Chapter 171, HRS. HRS Chapter 171 governs the management and disposition of public lands, minerals, and water. It includes provisions for DHHL's entitlement under NHRF for sugarcane lands conveyed to HHFDC for housing (HRS §171-18.5), recognizes proceeds from leases and other dispositions of public lands and waters are subject to DHHL's rights (HRS §171-19), and requires DLNR to notify DHHL of proposed leases of water rights, consult with DHHL beneficiaries, and jointly develop reservations of water for DHHL's needs (HRS §171-58(g)).

Other entities have received NHRF lands through inter-agency transfers and set asides via executive orders: the Hawai'i Housing Finance and Development Corporation (HHFDC), the Department of Transportation (DOT)-Highways, DOT-Airports, the Department of Education, and Maui County. However, these agencies do not submit quarterly payments to NHRF.

C. Past Audits, Memorandums, and Reports

Since its adoption in 1978, NHRF laws and management of its assets and programs have undergone many changes. Laws have been strengthened to encourage investment of NHRF reserves and channel returns back to NHRF. The applicability of NHRF to types of land and water assets and dispositions has been clarified through legislation, audits, and legal opinions. DHHL commissioned an inventory of NHRF sugar lands and conducted two NHRF entitlement studies. The State Auditor also conducted two audits of NHRF revenues. These studies are summarized below.

1978 R.M. Towill, Protected Lands Study for DHHL. DHHL hired the R.M. Towill firm to prepare aerial view photograph-based maps identifying all lands in sugar cultivation in 1978. In their report, R.M. Towill overlaid these aerial view photographs on a USGS quadrant map that shows topographical features. While these maps show survey coordinates, they do not show property lines or tax map key boundaries, which are needed to track protected lands under the various agency inventory systems.

1979 Attorney General Memorandum. In response to an inquiry from BLNR for an interpretation of Article XII of the Hawai'i Constitution, the Attorney General determined: (1) The effective date of article XII, section 1 of the Hawai'i Constitution was November 7, 1978; (2) the provision applied to sugar cane and water leases, licenses, and revocable permits; and (3) the provision applied to lands classified as sugarcane and contributory, not to pasture, if land in pasture use can be separated out).

1980 Memorandum of Understanding. This MOU between DHHL and DLNR allocated respective responsibilities for accounting and planning for NHRF entitlements. The purpose section of the MOU states: "This Memorandum acknowledges the basic responsibilities between [DHHL] and [DLNR] in implementing the second paragraph of Article XII, Section 1, of the Constitution of the State of Hawaii, which mandates the transfer of thirty percent (30%) of the State receipts derived from the leasing of cultivated sugarcane lands or from water licenses to [NHRF.]" See Attachment "C".

1991 State Auditor Study of DHHL Entitlements. In 1990, the Legislature requested the Auditor to examine procedures used to ensure Hawaiian beneficiary programs received entitlement revenues from ceded lands and sugar lands. The legislature was specifically concerned that Hawaiian programs were not receiving entitlements when public lands were transferred between government agencies for the purpose of building affordable housing. The Auditor found insufficient safeguards were in place for DHHL entitlements in executive agency transfers, and offered five recommendations.

1993 DHHL Entitlement Study. Pursuant to funds appropriated under Act 316, SLH 1992, DHHL contractor Deloitte & Touche made thirteen recommendations to DLNR and DHHL to better implement NHRF entitlements.

1999 State Auditor Follow-Up Study. Executed pursuant to HCR No. 143, SLH 1998, the Auditor's recommendations included: DLNR/ DHHL should maintain comprehensive inventory of sugar lands, leases, permits, and water licenses; DLNR should rectify its failure to transfer entitlements to DHHL in twenty-one cases; there should be increased compliance with and renewal of the 1980 MOU; there should be development of policies for NHRF entitlements; there should be interagency collaboration to plan for future of sugar lands and water licenses; parties needed to standardize definitions of lands subject to NHRF entitlement; and HRS § 171-95 should be amended to require professional appraisal of all public lands where trust obligations are involved and/or lands are to be transferred to other agencies. DLNR, notably, contested many of these recommendations.

2002 DHHL Report on NHRF expenditures. The Legislature requested a report on NHRF expenditures on rehabilitation programs. DHHL's report noted most of NHRF income comes from three areas: (1) sugar land leasing; (2) water licenses; and (3) DHHL's return on investment of NHRF monies. Over the FY1997 - 2001 reporting period, \$3,349,911 came from investment, representing nearly 70 percent of these three income sources.

2008 DHHL Entitlement Study by Grant Thornton, LLP.
Grant Thornton produced a report on the status of NHRF-encumbered lands and water leases and made recommendations based on its financial analysis of the same. They noted DLNR had conveyed 7,900 acres of NHRF lands to state agencies: 5,651 acres to ADC, 885 acres to DHHL, 297 acres to DLNR Division of Boating and Ocean Recreation, 163 acres to DOT- Airports, and 91 acres to the DOA.

D. Current Assignment and Next Steps

DHHL plans to newly audit NHRF entitlements, but recognizes the scope of that audit needs to be strategized around changing conditions of Hawaii's economy, governance of Public Trust lands and water resources, and political landscapes. In 2016, HHC approved funding for a NHRF Pre-Audit contract.

In August 2016, DHHL issued a notice to proceed on the NHRF Pre-Audit contract to consultant Jonathan Likeke Scheuer, Ph.D. and sub-consultants Darrell Yagodich and Bianca Isaki, Ph.D. Deliverables to DHHL under this contract include:

- (1) Research: executive summary report summarizing findings concerning historical and present factors affecting NHRF entitlements and sugar land and water lease valuation methodologies. There will also be a summary of previous recommendations and actions that still need to be taken based on those efforts.
- (2) Prioritization Analysis: executive summary report identifying key geographic areas, lands, waters and issues in which DHHL action may be most effective at directly or indirectly generating revenue and promoting other HHCA objectives.
- (3) Audit Scope Analysis: a proposed Scope of Work for the prospective, future audit of NHRF entitlements.
- (4) Advocacy Plan and Concurrent Actions: a report on short and long term advocacy strategies to maximize NHRF benefits, as well as implementation of certain short-term tasks.

Next steps and a timeline are included in the outline of consultants' preliminary work plans is appended to this submittal. See Attachment "D."

III. CONCLUSION

DHHL, the HHC, and their beneficiaries have significant interests in ensuring appropriate management, operation, and planning for NHRF entitlements. DHHL has a two-phased plan for approaching challenges posed by NHRF. Currently, in the first phase, DHHL consultants are developing a strategy and scope for a future audit of NHRF entitlements. An audit of NHRF revenues will be completed in the second phase.

IV. RECOMMENDED MOTION/ACTION:

None; for informational only.

Attachment "A"

1978 Hawai'i Constitution, article XII, §1

HAWAIIAN HOMES COMMISSION ACT

Section 1. Anything in this constitution to the contrary notwithstanding, the Hawaiian Homes Commission Act, 1920, enacted by the Congress, as the same has been or may be amended prior to the admission of the State, is hereby adopted as a law of the State, subject to amendment or repeal by the legislature; provided that if and to the extent that the United States shall so require, such law shall be subject to amendment or repeal only with the consent of the United States and in no other manner; provided further that if the United States shall have been provided or shall provide that particular provisions or types of provisions of such Act may be amended in the manner required for ordinary state legislation, such provisions or types of provisions may be so amended. The proceeds and income from Hawaiian home lands shall be used only in accordance with the terms and spirit of such Act. The legislature shall make sufficient sums available for the following purposes: (1) development of home, agriculture, farm and ranch lots; (2) home, agriculture, aquaculture, farm and ranch loans; (3) rehabilitation projects to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved; (4) the administration and operating budget of the department of Hawaiian home lands; in furtherance of (1), (2), (3) and (4) herein, by appropriating the same in the manner provided by law.

Thirty percent of the state receipts derived from the leasing of cultivated sugarcane lands under any provision of law or from water licenses shall be transferred to the native Hawaiian rehabilitation fund, section 213 of the Hawaiian Homes Commission Act, 1920, for the purposes enumerated in that section. Thirty percent of the state receipts derived from the leasing of lands cultivated as sugarcane lands on the effective date of this section shall continue to be so transferred to the native Hawaiian rehabilitation fund whenever such lands are sold, developed, leased, utilized, transferred, set aside or otherwise disposed of for purposes other than the cultivation of sugarcane. There shall be no ceiling established for the aggregate amount transferred into the native Hawaiian rehabilitation fund.

[Ren and am Const Con 1978 and election Nov 7, 1978]

Attachment "B"

Hawaiian Homes Commission Act §213. Funds and accounts.

....

(i) Native Hawaiian rehabilitation fund. Pursuant to Article XII, Section 1, of the Hawaii Constitution, thirty per cent of the state receipts, derived from lands previously cultivated as sugarcane lands under any other provision of law and from water licenses, and fifteen per cent of all revenues from lease agreements granted lease extensions pursuant to section 228, shall be deposited into this fund. The department shall use this money for the rehabilitation of native Hawaiians, native Hawaiian families, and Hawaiian homestead communities, which shall include the educational, economic, political, social, and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved and perpetuated.

The native Hawaiian rehabilitation fund shall be subject to the following conditions:

- (1) All moneys received by the fund shall be deposited into the state treasury and kept separate and apart from all other moneys in the state treasury;
- (2) The director of finance shall serve as a custodian of the fund. All payments from the fund shall be made by the director of finance only upon vouchers approved by the commission;
- (3) The commission shall develop guidelines for the investment of moneys in the fund;
- (4) The commission may invest and reinvest in investments authorized by chapter 88, Hawaii Revised Statutes. The commission may hold, purchase, sell, assign, transfer, or dispose of any securities and investments in which any of the moneys shall have been invested, as well as the proceeds of such investments; and
- (5) The commission may pay out of any of the moneys held for investment, a reasonable amount to any person for supplying investment advisory or consultive services; and to meet such other costs incident to the prudent investment of moneys as the commission may approve.

Any payment of principal, interest, or other earnings arising out of the loan or investment of money from this fund shall be credited to and deposited into this fund. Sections 214, 215, 216, and 217 shall not apply to administration of this fund. The department is authorized to adopt rules under chapter 91, Hawaii Revised Statutes, necessary to administer and carry out the purposes of this fund.

The department shall submit an annual report to the legislature and the United States Department of the Interior, no later than twenty days prior to the convening of each regular session of the legislature, beginning with the regular session of 2011, on expenditures from this fund that are derived from the amounts deposited from commercial and multipurpose project lease extensions pursuant to section 228(e), including the amount expended, the recipient of the moneys expended, and the purpose of the expenditure.

[Am Feb. 3, 1923, c 56, §2, 42 Stat 1222; Mar. 7, 1928, c 142, §2, 45 Stat 246; Nov. 26, 1941, c 544, §4, 55 Stat 784; Jun. 14, 1948, c 464, §3, 62 Stat 390; Jul. 9, 1952, c 615, §§1, 2, 66 Stat 514; Aug. 21, 1958, Pub L 85-708, 72 Stat 705; am L 1959 1st, c 13, §2;

Attachment "B"

am L 1961, c 183, §2; am L 1963, c 114, §5 and c 207, §§2, 5(a); am L 1965, c 4, §§1, 2; am L 1967, c 146, §3; am L 1969, c 114, §1 and c 259, §1; am L 1972, c 76, §1; am L 1973, c 130, §1 and c 220, §1; am L 1974, c 170, §1, c 172, §1, c 174, §1, c 175, §§2, 3, and c 176, §2; am L 1976, c 72, §1; am L 1978, c 229, §1; am Const Con 1978 and election Nov. 7, 1978; am L 1981, c 90, §4, c 158, §1, c 192, §1, and c 203, §1; am L 1982, c 274, §2; am L 1983, c 143, §1; am L 1984, c 260, §2; am L 1985, c 284, §2; am L 1986, c 249, §2; am L 1987, c 36, §4; am L 1993, c 145, §1; am L 1994, c 152, §§2, 6; am L 1998, c 27, §§1, 2; am L 2002, c 117, §1; am L 2010, c 187, §7]

Revision Note

"Annual" and "fiscal period" substituted for "biennial" and "biennium" to conform to budgetary requirements under the Constitution. L Sp 1959 1st, c 13, made similar changes to sections of RLH 1955.

In subsection (f), "204(a)(2)" substituted for "204(2)".

Attorney General Opinions

Funds may not be used to subsidize nursery schools. Att. Gen. Op. 62-6.

80 JAN 22 P2:19
DEPT. OF LAND
NATURAL RESOURCES
STATE OF HAWAII

December 6, 1979

Exhibit I

Fiscal
In info rfile
John M.

MEMORANDUM OF UNDERSTANDINGI. PURPOSE:

This Memorandum acknowledges the basic responsibilities between the Department of Hawaiian Home Lands (DHHL) and the Department of Land and Natural Resources (DLNR) in implementing the second paragraph of Article XII, Section 1, of the Constitution of the State of Hawaii, which mandates the transfer of thirty percent (30%) of the State receipts derived from the leasing of cultivated sugarcane lands or from water licenses to the native Hawaiian rehabilitation fund, established under Section 213, Hawaiian Homes Commission Act, 1920, as amended. Said second paragraph of Article XII, Section 1, reads as follows:

"Thirty percent of the state receipts derived from the leasing of cultivated sugarcane lands under any provision of law or from water licenses shall be transferred to the native Hawaiian rehabilitation fund, section 213 of the Hawaiian Homes Commission Act, 1920, for the purposes enumerated in that section. Thirty percent of the state receipts derived from the leasing of lands cultivated as sugarcane lands on the effective date of this section shall continue to be so transferred to the native Hawaiian rehabilitation fund whenever such lands are sold, developed, leased, utilized, transferred, set aside, or otherwise disposed of for purposes other than the cultivation of sugarcane. There shall be no ceiling established for the aggregate amount transferred into the native Hawaiian rehabilitation fund."

II. PROCEDURES:

The following procedures are hereby established to implement Section 1, Article XII of the Hawaii State Constitution on the transfer of State receipts derived from the leasing of cultivated sugarcane lands and from water licenses:

A. Definition:

As used throughout this Memorandum:

1. "State lands" means lands title to which vests in the State of Hawaii excluding Hawaiian home lands.
2. "Protected lands" means all State lands that were, on November 7, 1978, leased for the cultivation of sugarcane.

Attachment "C"

B. Information - General.

The DLNR shall keep an up-to-date file on the following information:

1. Protected lands;
2. State lands disposed of subsequent to November 7, 1978, for cultivation of sugarcane; and
3. Water licenses, permits, or other instruments authorizing the use of government owned water in existence or effective on November 7, 1978, and/or issued subsequent to November 7, 1978.

C. Information - Protected lands.

1. The file on protected lands shall include a copy of any lease together with all necessary appurtenant maps, descriptions, disposing of the lands for cultivation of sugarcane.
2. For each such lease or other document disposing of lands for cultivation of sugarcane, any withdrawals of lands from the operation of such lease or instrument made prior to November 7, 1978.
3. For each such lease or other document disposing of lands for cultivation, where the lessee had the right to cultivate contributory, pasture or waste, or miscellaneous lands for sugarcane, a copy of each request for inclusion of such lands to sugarcane cultivation made prior to November 7, 1978, together with maps and descriptions, if any, reflecting the additional area planted in sugarcane.
4. Where the lease or other instrument, together with supporting documents, including aerial photos, do not clearly identify lands used for the cultivation of sugarcane, the entire acreage leased under the terms of the lease or other instrument shall be considered as protected lands.
5. The file shall also contain a summary sheet. Said summary sheet shall contain, at the minimum, the following information:
 - a. DLNR document number and name of lessee.
 - b. Current tax map key number of parcel.
 - c. Acreage and rental due, together with due
 - (1) Sugarcane lands
 - (2) Contributing lands (including roads'

Attachment "C"

(3) Pasture lands

(4) Waste and miscellaneous lands

d. Term of lease together with reopening dates.

e. Remarks - to include information regarding subleases, withdrawals, additions, etc.

6. Attached as Appendix I is a sample form of the summary sheet.

D. Information - State lands.

For any State lands disposed of subsequent to November 7, 1978, for the cultivation of sugarcane, DLNR shall maintain a file therefor, which shall contain the same information as required for protected lands.

E. Information - Water licenses.

The file on water licenses shall include a copy of the water license or permit.

F. Information - Determination of State receipts.

✓ The DLNR files, including the summary sheets, as verified by DHHL for accuracy, shall be used as bases for determining the 30% of the State receipts derived from the leasing of lands cultivated as sugarcane lands and water licenses. Appropriate information from DLNR shall be presented to the Board of Land and Natural Resources (BLNR) and to the Hawaiian Homes Commission. The respective boards shall review the same, and if found acceptable and if legally required, may approve of the inventories.

III. DLNR RESPONSIBILITIES RELATING TO STATE AND PROTECTED LANDS

A. Responsibility Set Forth by Section 1, Article XII.

Section 1, Article XII set forth the responsibility upon the State, including DLNR and DHHL, to effectuate the transfer of 30% of the receipts derived from protected lands whenever such lands are sold, developed, leased, utilized, transferred, set aside, or otherwise disposed of for other than the cultivation of sugarcane.

B. Recognition of Interest in Effectuating Section 1, Article XII.

It is recognized that DLNR and DHHL have an interest in effectuating Section 1, Article XII. Therefore, DLNR shall give proper notice to DHHL on any action to be taken on the use or disposition of State and protected lands.

Attachment "C"

C. Notification of Action.

DLNR shall submit to DHHL a copy of the minutes of BLNR action on State and protected lands, together with a copy of the public notice and/or the agenda of the meeting of the BLNR.

IV. DLNR RESPONSIBILITIES RELATING TO WATER LICENSES

A. Notification of Action.

DLNR shall submit to DHHL, a copy of the minutes of BLNR action on water licenses, together with a copy of the public notice and/or the agenda of the meeting of the BLNR.

V. DHHL RESPONSIBILITIES RELATING TO EFFECTUATING SECTION 1, ARTICLE XII.

A. Implementation.

DHHL shall provide an appropriate position at DLNR to assist in the effective implementation of this Memorandum of Understanding.

DATED: Honolulu, Hawaii

January 22, 1980

APPROVED:

Seamus O'Connell

CHAIRMAN
Board of Land and Natural Resources

Virginia K. Paley

CHAIRMAN
Hawaiian Homes Commission

APPROVED AS TO FORM:

James K. K. K.
Deputy Attorney General
State of Hawaii

ITEM NO. G-2 Attachment C

Attachment “D”: Outline of Preliminary Work Plan

Outline of Preliminary Work Plan to Audit Revenues Due to the NHRF

I. Project Objective

Develop a work plan to secure all benefits due to the Native Hawaiian Rehabilitation Fund (NHRF) by:

- (1) Developing strategies to review systems to secure revenue due to NHRF, and
- (2) Developing a plan to advocate for NHRF revenues and beginning to implement such a plan.

This work plan is “Phase 1” of the Department’s efforts to secure NHRF revenue. One product will be to draft the scope of work for a second phase, during which an audit of NHRF revenue processing and associated plans will be conducted (“Phase 2”). Below, we describe both initial findings and some actions that will be recommended for Phase 2.

II. Initial Research to Date

The initial focus of work is on compiling and analyzing information related to the Project Objective such as:

- (1) Legal authorities and legislative history including the 1959 Hawai‘i Statehood Act, 1978 Hawai‘i State Constitution (*see* Attachment A) and Committee reports, and Hawaiian Homes Commission Act of 1920, as amended (*see* Attachment B);
- (2) Administrative actions, past and present, including Attorney General opinions and inter-agency memoranda;
- (3) Past audits (1991, 1993, 1999, 2008), reports, and studies of NHRF entitlements;
- (4) Information from the Department of Land and Natural Resources (DLNR) Land-Division, Department of Agriculture (DOA) Agricultural Resource Management Division, the Agribusiness Development Corporation (ADC), and internal DHHL divisions (Fiscal Office, Administrative Services, and Land Management); and
- (5) DHHL archives of files, memorandums, and correspondence concerning NHRF entitlements.

III. Past Emphasis on “Protected Lands”

Past NHRF efforts have focused on the identification and management of “Protected Lands.” “Protected Lands” refers to all State lands that were leased for the cultivation of sugarcane as of the effective date of amendments to the Hawai‘i State Constitution, November 7, 1978. Article XII, §1 of the Hawai‘i Constitution provides for payment of thirty percent of State receipts derived from the leasing of specific “protected” lands, as well as thirty percent of State receipts derived when such lands are “sold, developed, leased, utilized, transferred, set-aside, or otherwise disposed of for purposes other than the cultivation of sugarcane.”

At this preliminary stage in our study of NHRF revenues, we determined several issues will require follow up in Phase 2:

- (1) Legal opinions are needed to specify the applicability of NHRF in the management of former sugarcane lands, such as its applicability to easements, land acquired by inter-agency transfers and “set asides,” interest on late payments, waived or reduced rents, and private lands utilized for sugar cultivation subsequently acquired by the State.
- (2) The inventory of Protected Land needs to be definitively reviewed and confirmed, and to be included in State agency land databases.
- (3) The procedures set forth in the 1980 Memorandum of Understanding with DLNR (*see* Attachment “C”) need to be revised and followed consistently.
- (4) Other agencies with NHRF responsibilities require clarity on their responsibilities to implement NHRF entitlements and procedures for doing so.

IV. New Emphasis on “Water Licenses”

All water licenses are subject to NHRF entitlements. In the conduct of this study so far, several strategic approaches to water licenses have been identified that will require follow up in Phase 2.

- (1) Legal opinions will be needed to determine the applicability of NHRF to different water conveyances, sources, and forms under various legal authorities;
- (2) Appropriate valuation methods need to be explored and developed to establish value and compensation accurately reflecting the post-plantation era value of water; and
- (3) The implications of definitions and exclusions from “public lands” definitions in HRS §171-2 will require review and possible revision.

V. Major Trends Looking Forward

A strategic audit of NHRF entitlements must include consideration of the changing conditions of Hawai'i's economy, governance of public trust lands and water resources, and political landscapes. The following major trends will be considered in development of a NHRF audit strategy:

- (1) The demise of the sugar industry and loss of that source of NHRF revenues;
- (2) Difficulties arising from the sale of public lands and loss of that source of NHRF revenues;
- (3) Inter-agency transfers of protected lands and waters, and transfers of protected lands to counties for public purposes with minimum revenues to NHRF;
- (4) Reductions in NHRF revenues overall and from protected lands, waters, and investment income specifically:

\$1.4 million - Average annual NHRF revenue, FY1980-2017

\$9.6 million - Highest one-year NHRF revenue, FY1992

\$0.1 million - Lowest one-year NHRF revenue, FY2017

- (5) Increasing complexity in the management and monitoring of protected lands and water licenses; and
- (6) The *Nelson* decision leaves the question of "sufficient sums available" for "rehabilitation projects" up to the Legislature because it raises a political question.

VI. Preliminary Findings

Preliminary findings guiding current strategic plan development include:

- (1) NHRF trust purposes have been neglected by the Legislature and the Agencies. While public land, including land formerly under sugarcane cultivation, and water assets have been used for public purposes, the NHRF is a public purpose and its revenues have declined significantly.
- (2) The adverse changes to NHRF entitlements are structural and unlikely to improve without intervention.
- (3) The cost versus benefit analyses must consider whether follow-up will yield one-time revenues, higher management costs, costs spread across agencies, and the complexity of coordination and timely notifications between involved agencies.

VII. Recommendations and Next Steps

Preliminary recommendations for the strategic audit of NHRF revenues presently include:

- (1) Oppose any efforts to change the Constitutional or Legislative bases for NHRF entitlements;
- (2) Assess which existing and newly recommend actions are most likely to result in significant increases to NHRF revenues;
- (3) Seek new revenues sources for the NHRF; and
- (4) Advocate to ensure compliance with existing obligations to NHRF at Legislative and Administrative levels.

Timeline of Next Steps by Task Area

	<i>Target date*</i>
1: NHRF Research.	
a. Review past audits, reports, and memoranda related to NHRF.	<i>Nov. 2016</i>
b. Conduct intra- & inter-agency consultations.	<i>Nov. 2016</i>
b. Prepare approach to water valuations.	<i>Jan. 2017</i>
c. Executive summary research report.	<i>June 2017</i>
2. NHRF Scope Analysis.	
a. Assess inventories of NHRF lands & waters.	<i>Mar. 2017</i>
b. Analyse information needs for NHRF information and valuation methods.	<i>Apr. 2017</i>
c. Executive summary scope analysis report.	<i>Jun. 2017</i>
3. NHRF Audit Scope.	
a. Draft scope of work (SOW) with DHHL staff for a future audit (Phase 2).	<i>Apr. 2017</i>
b. Finalize SOW based on DHHL concerns.	<i>Jun 2017</i>
4. NHRF Audit Scope.	
a. Draft short-term advocacy goals with DHHL.	<i>Sep. 2016</i>
b. Advocate for DHHL interests in NHRF before other agencies and counties.	<i>(ongoing)</i>
c. Draft long-term strategy, goals, and implementation tasks for DHHL review.	<i>Apr. 2017</i>
d. Prepare NHRF Advocacy Plan.	<i>Jun. 2017</i>

**Target date adjusted to "Notice to Proceed" issued in August 2016.*

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

January 23-24, 2017

To: Chairman and Members, Hawaiian Homes Commission
Through: Kaleo Manuel, Acting Planning Program Manager
From: Lehua Kinilau-Cano, HHL Legislative Analyst *Lehua Kinilau-Cano*
Subject: Legislative Update (For Information Only)

RECOMMENDATION/ACTION:

None; For information only.

DISCUSSION

DHHL Bills in the Governor's Package

At its regular meeting of September 19, 2016, the Hawaiian Homes Commission approved five legislative proposals to be recommended for inclusion in the Governor's Package for the 2017 Regular Session. Following this approval, these legislative proposals were reviewed by the Department of the Attorney General, the Governor's Policy Office, and the Governor. Three (3) proposals were accepted in the final package and the final drafts that were submitted for each is enclosed in Exhibit 'A'.

Here is a summary list of the three (3) proposals:

- **RELATING TO THE QUALIFICATION OF SUCCESSORS TO LESSEES UNDER THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED.**
Lowers the required blood quantum to one thirty-second Hawaiian for the lessee's relatives currently eligible to succeed to a lease with one-quarter Hawaiian including a lessee's husband, wife, children, grandchildren, brothers, or sisters.
- **RELATING TO PERSONAL PRIVACY.**
Specifies certain content of Department of Hawaiian Home Lands homestead applicant and lessee files are not required to be disclosed.
- **RELATING TO THE HAWAIIAN HOMES COMMISSION.**
Amends the Hawaiian Homes Commission Act to reduce the number of commissioners that are residents of the city and

county of Honolulu and adds a commissioner from the island of Lanai.

Senate Committee on Ways and Means Informational Briefing

The Senate Committee on Ways and Means held an informational briefing on DHHL's 2017-19 Biennium Budget Request on Wednesday, January 11. The briefing materials can be reviewed at [http://www.capitol.hawaii.gov/session2017/testimony/Info Testimony WAM 01-11-17 HHL.pdf](http://www.capitol.hawaii.gov/session2017/testimony/Info%20Testimony%20WAM%2001-11-17%20HHL.pdf)

DHHL 2017 Legislative "Talk-Story" Sessions

DHHL is partnering with homestead associations and beneficiary organizations to prepare for the upcoming legislative session. Topics discussed at these legislative "talk-story" sessions include information about DHHL's sufficient sums budget request and the Executive Biennium budget, DHHL's legislative proposals, and other issues of interest for the upcoming legislative session. Workshop information are as follows:

- **Thursday, December 29, 2016 at 3:30 p.m. at Kulana Oihi - DHHL/OHA Conference Rm., Kalama'ula, Molokai**
- **Monday, January 9, 2017 at 7:00 p.m. at Ka Waihoana O Ka Na'auao Public Charter School, Waianae, HI 96792**
- **Sunday, January 22, 2017 at 5:30 p.m. at Paukukalo Community Center, 657 Kaumualii St., Wailuku, HI 96793**
- **Monday, January 23, 2017 at 6:00 p.m. at Lincoln Elementary School Cafetorium, 615 Auwailolu St., Honolulu, HI 96813**
- **Thursday, January 26, 2017 at 6:00 p.m. at DHHL Hale Pono'i, 91-5420 Kapolei Parkway, Kapolei, HI 96707**
- **Monday, January 30, 2017 at 7:00 p.m. at Waimanalo Hawaiian Homes Association Community Center, 41-253 Ilaupole St., Waimanalo, HI 96795**

DHHL Website

The most updated information is available on DHHL's website at <http://dhhl.hawaii.gov/legislation/>

RECOMMENDED MOTION/ACTION

None; For information only.

LEGISLATIVE PROPOSALS AND RESOLUTIONS SUMMARY SHEET
29th State Legislature, Regular Session of 2017

Department: HAWAIIAN HOME LANDS

REVISED: January 4, 2017
1ST DRAFT DATE: September 19, 2016

CODE	TITLE
HHL-01(17)	RELATING TO THE QUALIFICATION OF SUCCESSORS TO LESSEES UNDER THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED.
HHL-02(17)	RELATING TO PERSONAL PRIVACY.
HHL-03(17)	RELATING TO THE HAWAIIAN HOMES COMMISSION.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO THE QUALIFICATION OF SUCCESSORS TO LESSEES UNDER THE
HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED.

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

1 SECTION 1. Section 209 of the Hawaiian Homes Commission
2 Act, 1920, as amended, is amended by amending subsection (a) to
3 read as follows:

4 "**§209. Successors to lessees.** (a) Upon the death of the
5 lessee, the lessee's interest in the tract or tracts and the
6 improvements thereon, including growing crops and aquacultural
7 stock (either on the tract or in any collective contract or
8 program to which the lessee is a party by virtue of the lessee's
9 interest in the tract or tracts), shall vest in the relatives of
10 the decedent as provided in this paragraph. From the following
11 relatives of the lessee who are (1) at least [~~one-quarter~~] one
12 thirty-second Hawaiian, husband, wife, children, grandchildren,
13 brothers, or sisters, or (2) native Hawaiian, father and mother,
14 widows or widowers of the children, widows or widowers of the
15 brothers and sisters, or nieces and nephews,--the lessee shall
16 designate the person or persons to whom the lessee directs the
17 lessee's interest in the tract or tracts to vest upon the
18 lessee's death. The Hawaiian blood requirements shall not apply

____.B. NO.____

1 to the descendants of those who are not native Hawaiians but who
2 were entitled to the leased lands under section 3 of the Act of
3 May 16, 1934 (48 Stat. 777, 779), as amended, or under section 3
4 of the Act of July 9, 1952 (66 Stat. 511, 513). In all cases
5 that person or persons need not be eighteen years of age. The
6 designation shall be in writing, may be specified at the time of
7 execution of the lease with a right in the lessee in similar
8 manner to change the beneficiary at any time and shall be filed
9 with the department and approved by the department in order to
10 be effective to vest the interests in the successor or
11 successors so named.

12 In case of the death of any lessee, except as hereinabove
13 provided, who has failed to specify a successor or successors as
14 approved by the department, the department may select from only
15 the following qualified relatives of the decedent:

- 16 (1) Husband or wife; or
17 (2) If there is no husband or wife, then the children; or
18 (3) If there is no husband, wife, or child, then the
19 grandchildren; or
20 (4) If there is no husband, wife, child, or grandchild,
21 then brothers or sisters; or
22 (5) If there is no husband, wife, child, grandchild,
23 brother, or sister, then from the following relatives

____.B. NO.____

1 of the lessee who are native Hawaiian: father and
2 mother, widows or widowers of the children, widows or
3 widowers of the brothers and sisters, or nieces and
4 nephews.

5 The rights to the use and occupancy of the tract or tracts may
6 be made effective as of the date of the death of the lessee.

7 In the case of the death of a lessee leaving no designated
8 successor or successors, husband, wife, children, grandchildren,
9 or relative qualified to be a lessee of Hawaiian home lands, the
10 land subject to the lease shall resume its status as unleased
11 Hawaiian home lands and the department is authorized to lease
12 the land to a native Hawaiian as provided in this Act.

13 Upon the death of a lessee who has not designated a
14 successor and who leaves a spouse not qualified to succeed to
15 the lease or children not qualified to succeed to the lease, or
16 upon the death of a lessee leaving no relative qualified to be a
17 lessee of Hawaiian home lands, or the cancellation of a lease by
18 the department, or the surrender of a lease by the lessee, the
19 department shall appraise the value of all the improvements and
20 growing crops or improvements and aquacultural stock, as the
21 case may be, and shall pay to the nonqualified spouse or the
22 nonqualified children as the lessee shall have designated prior
23 to the lessee's death, or to the legal representative of the

.B. NO.

1 deceased lessee, or to the previous lessee, as the case may be,
2 the value thereof, less any indebtedness to the department, or
3 for taxes, or for any other indebtedness the payment of which
4 has been assured by the department, owed by the deceased lessee
5 or the previous lessee. These payments shall be made out of the
6 Hawaiian home loan fund and shall be considered an advance
7 therefrom and shall be repaid by the successor or successors to
8 the tract involved. If available cash in the Hawaiian home loan
9 fund is insufficient to make these payments, payments may be
10 advanced from the Hawaiian home general loan fund and shall be
11 repaid by the successor or successors to the tract involved;
12 provided that any repayment for advances made from the Hawaiian
13 home general loan fund shall be at the interest rate established
14 by the department for loans made from the Hawaiian home general
15 loan fund. The successor or successors may be required by the
16 commission to obtain private financing in accordance with
17 section 208(6) to pay off the amount advanced from the Hawaiian
18 home loan fund or Hawaiian home general loan fund."

19 SECTION 2. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21

22

____.B. NO.____

1 SECTION 3. This Act shall take effect upon the approval of
2 the Governor of the State of Hawaii and with the consent of the
3 United States.

4

5

6

INTRODUCED BY: _____

7

BY REQUEST

____.B. NO.____

Report Title:

Hawaiian Home Lands; Lease Successors

Description:

Lowers the required blood quantum to one thirty-second Hawaiian for the lessee's relatives currently eligible to succeed to a lease with one-quarter Hawaiian including a lessee's husband, wife, children, grandchildren, brothers, or sisters.

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

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO THE
QUALIFICATION OF SUCCESSORS TO LESSEES UNDER
THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS
AMENDED.

PURPOSE: Lowers the required blood quantum to one
thirty-second Hawaiian for the lessee's
relatives currently eligible to succeed to a
lease with one-quarter Hawaiian including a
lessee's husband, wife, children,
grandchildren, brothers or sisters.

MEANS: Amend section 209(a) of the Hawaiian Homes
Commission Act, 1920, as amended.

JUSTIFICATION: The Department of Hawaiian Home Lands (DHHL)
continues to receive requests from
beneficiaries, particularly lessees in our
older homestead communities, to reduce the
blood quantum requirement for successors (or
individuals who can succeed to a homestead
lease upon the death of the lessee). As,
these communities age, the lessees with one-
quarter Hawaiian blood are facing the
possible loss of a homestead lease that has
been within the family for several
generations because their descendants lack
the required blood quantum. This amendment
will provide DHHL lessees with greater
flexibility and opportunity to retain
homestead leases within their families.

Impact on the public: There will be no
impact to the general public. The Hawaiian
Homes Commission Act is responsible to a
unique subset of Hawaii's population.

Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION:

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval and consent of the United
States.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO PERSONAL PRIVACY.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 DEPARTMENT OF HAWAIIAN HOME LANDS RECORDS

6 § -1 Government records and personal records;
7 department of Hawaiian home lands. The following government
8 records maintained by the department of Hawaiian home lands
9 shall not be required to be disclosed or made open to public
10 inspection:

11 (1) Loan applications, loan prequalification documents,
12 loan approval documents, underwriting findings,
13 financial data forms, and financial assessments except
14 where disclosure is required by section 92F-12(a)(8);

15 (2) Any consent to release personal information permitting
16 the department of hawaiian home lands to access birth,
17 marriage, death certificates and other documents in
18 the application or lessee file to assist the family or

____.B. NO.____

- 1 individual designated by the applicant or lessee with
2 the processing of an application or lease award;
3 (3) Designation of successor to a lease;
4 (4) Designation of successor to application rights for
5 homestead lease;
6 (5) Requests to succeed to a homestead lease; and
7 (6) Requests to succeed to application rights."

8 SECTION 2. This Act shall take effect upon its approval.

9
10 INTRODUCED BY: _____

11 BY REQUEST

____.B. NO.____

Report Title:

Department of Hawaiian Home Lands; Disclosure of Government
Records

Description:

Specifies certain content of Department of Hawaiian Home Lands
homestead applicant and lessee files are not required to be
disclosed.

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

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO PERSONAL
PRIVACY.

PURPOSE: Protects the sensitive content of
homestead application files and homestead
lease files by specifying that certain
records of Department of Hawaiian Home
Lands homestead applicant and lessee
files are not required to be disclosed.

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

JUSTIFICATION: The department has received Uniform
Information Practices Act requests for
specific homestead application files and
homestead lease files that include personal
contact information, genealogies, finance
and loan documents, and other
correspondence. Hawaii Administrative Rules
Title 10 further requires that "personal
data received or recorded by the department
shall be held in absolute confidence and no
release of information shall be made without
written approval of the individual
concerned."

Impact on the public: This proposal further
protects the interest of Hawaiian home land
applicants, lessees, and their successors by
protecting information in which they have a
significant privacy interest.

Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM

DESIGNATION: HHL 625.

OTHER AFFECTED

AGENCIES: None.

EFFECTIVE DATE: Upon approval.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO THE HAWAIIAN HOMES COMMISSION.

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

1 SECTION 1. Section 202, Hawaiian Homes Commission Act,
2 1920, as amended, is amended by amending subsection (a) to read
3 as follows:
4 "(a) There shall be a department of Hawaiian home lands
5 which shall be headed by an executive board to be known as the
6 Hawaiian homes commission. The members of the commission shall
7 be nominated and appointed in accordance with section 26-34,
8 Hawaii Revised Statutes. The commission shall be composed of
9 nine members, as follows: [~~three~~] two shall be residents of the
10 city and county of Honolulu; two shall be residents of the
11 county of Hawaii one of whom shall be a resident of east Hawaii
12 and the other a resident of west Hawaii; [~~two~~] three shall be
13 residents of the county of Maui, one of whom shall be a resident
14 from the island of Molokai[+] and another of whom shall be a
15 resident from the island of Lanai; one shall be a resident of
16 the county of Kauai; and the ninth member shall be the chairman
17 of the Hawaiian homes commission. All members shall have been
18 residents of the State at least three years prior to their

____.B. NO.____

1 appointment and at least four of the members shall be
2 descendants of not less than one-fourth part of the blood of the
3 races inhabiting the Hawaiian Islands previous to 1778. The
4 members of the commission shall serve without pay, but shall
5 receive actual expenses incurred by them in the discharge of
6 their duties as such members. The governor shall appoint the
7 chairman of the commission [~~from among the members thereof~~].

8 The commission may delegate to the chairman such duties,
9 powers, and authority or so much thereof, as may be lawful or
10 proper for the performance of the functions vested in the
11 commission. The chairman of the commission shall serve in a
12 full-time capacity. [He] The chairman shall, in such capacity,
13 perform such duties, and exercise such powers and authority, or
14 so much thereof, as may be delegated to [~~him~~] the chairman by
15 the commission as herein provided above."

16 SECTION 2. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 3. This Act, upon its approval, shall take effect
19 on January 1, 2018.

20

21 INTRODUCED BY: _____

22

BY REQUEST

____.B. NO.____

Report Title:

Hawaiian Homes Commission; Composition

Description:

Amends the Hawaiian Homes Commission Act to reduce the number of commissioners that are residents of the city and county of Honolulu and adds a commissioner from the island of Lanai.

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

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

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

PURPOSE: Changes the composition of the Hawaiian Homes Commission by reducing the number of commissioners that are residents of the city and county of Honolulu and adding a commissioner from the island of Lanai.

MEANS: Amend section 202(a) of the Hawaiian Homes Commission Act, 1920, as amended.

JUSTIFICATION: The Hawaiian Homes Commission is currently composed of nine members, and at least one member is a resident of each island on which the department has land with the exception of Lanai. The department acquired 50 acres on Lanai in 1999, and the department has awarded 29 leases on Lanai, and there are 66 applicants awaiting lease awards on Lanai. However, there is no provision for a member of the commission to be resident of Lanai.

Impact on the public: This proposal provides for a more direct connection for native Hawaiian beneficiaries on Lanai to the Hawaiian Homes Commission by requiring that at least one member of the commission is a resident of Lanai. This member will better understand the interests, needs, and concerns of beneficiaries as well as land management matters on Lanai.

Impact on the department and other agencies: A commission member from Lanai will support better informed decision making by the commission on matters related to Lanai.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM

DESIGNATION: HHL 625.

OTHER AFFECTED

AGENCIES: None.

EFFECTIVE DATE: January 1, 2018.

DEPARTMENT OF HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION
January 23 & 24, 2017
KAPOLEI, HAWAII

J-ITEMS
GENERAL AGENDA

Juliana K. L. O. Montalvo
5 Kaulana Na Pua Circle
Wailuku, Hawaii 96793
January 3, 2017

2017 JAN -3 AM 9: 45

Dept. of Hawaiian Home Land
MAUI DISTRICT

Chairman Ms. Jobie M. K. Masagatani
P. O. Box 1879
Honolulu, Hawaii 96793

Dear Ms. Masagatani:

I'm a lessee at Waiehu Kou Phase 3. My husband and I want to request to appear before you and the Hawaiian Home Lands Commission to share our mana'o regarding the recent information our family received regarding our Homestead lease. We are available to attend the Hawaiian Home Lands Commission this month on Oahu. Our Hawaiian Homestead home is very important to us therefore we humbly ask to appear before the commission this month.

You may reach at 808-2834946 or my husband, Clarence at 808-870-2277.

Respectfully,

Juliana K. L. O. Montalvo
Clarence L. Montalvo

Juliana K. L. O. Montalvo
Clarence L. Montalvo
Waiehu Kou Phase 3 Homesteaders

Copy: Maui District Office
Doreen Canto, Maui Commissioner

2017 JAN -6 AM 10: 49

DEPT. OF HAWAIIAN
HOME LANDS

Burrows-Nuuanu, Leatrice W

Subject: FW: Testing - Na Pueo

Aloha Jobie & staff,

ABOUT Na Pueo O Honolulu

Na Pueo O Honolulu is made up of a group of local citizens of various backgrounds concerned about the plight of the Oahu Pueo in the Ewa Plains.

OUR Mission

It is Na Pueo's mission to bring awareness of the Pueo to the community and work together with key landowners to create a conservation habitat plan that protects the Oahu Pueo's nesting and foraging habitat.

GOALS of Na Pueo

- u Implement surveying and monitoring programs for the Pueo in the Ewa Plains with immediate focus on the gulches
- u Bring awareness about the State Endangered Oahu Pueo to the community
- u Work together with local schools, conservation and cultural organizations to protect the Pueo and it's habitat
- u Document the Pueo's nesting habitat
- u Document the Pueo's foraging habitat
- u Determine parameters and boundaries for the protection of the Pueo's and it's habitat

Work together with the 23 Landowners to create a Conservation Habitat Plan to protect the Oahu Pueo and it's habitat.

DHHL

The Department of Hawaiian Homelands is one of the 23 Landowners in the area where the Pueo is known to nest and forage, both presently and historically.

Na Pueo is looking forward to working together with DHHL, as well as other landowners, in reaching these goals. What we do today greatly affects the future of our Hawaiian culture, our Kupuna, our Keiki and above all our 'Aumakua, the Endangered Oahu Pueo.

Mahalo for your time,

Kanani Wond
Na Pueo O Honolulu
Education Outreach Coordinator

From: Bo Kahui <bokahui@laiopua.org>
Sent: Monday, January 09, 2017 9:42 AM
To: Burrows-Nuuanu, Leatrice W
Cc: Kaponu Kahui
Subject: Request to Appear befor DHHL Commission

Aloha Lea,
My Son Kaponu Kahui wish to be placed on the J Agenda to discuss and appraise the Commission of the Waimanalo Kaikana project.
Please let me know
Mahalo Nui
Craig "Bo" Kahui
Executive Director
Laiopua 2020
808-327-1221

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From: Bo Kahui <bokahui@laiopua.org>
Sent: Monday, December 12, 2016 9:21 AM
To: Burrows-Nuuuanu, Leatrice W
Cc: Diana Akao; Dora Aio; Sam Walker Sr; Choy, Andrew H
Subject: Request to Appear Before DHHL Commission

Aloha Lea,
Please be advised that on behalf of Laioppua 20920 and Laiopua COMMunity Association, I would like to placed on the J Agenda.
Please confirm receipt of this communication.
I'll await the Chair's decision
Mahalo Nui
Craig "Bo" Kahui
Executive Director
Laiopua 2020
808-327-1221

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Subject: FW: Request to Appear before the Commission.

Aloha Lea,

Laiopua 2020 Board members, Porter Devries and Avery Kramer will be attending the Commission hearing and wish to appear on the J agenda to speak before the DHHL Commission on Jan 23rd.

The purpose of the request is to provide the Commission the Laiopua 2020 Board perspective the proposed New Market Tax Credit initiative before Commission.

Please advise.

Mahalo Nui

Craig "Bo" Kahui

Executive Director

Laiopua 2020
808-327-1221

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