

HAWAIIAN HOMES COMMISSION

Minutes of June 12, 2020

Workshop Agenda

Hale Pono`i, Kapolei, O`ahu, Hawai`i

Pursuant to proper call, the Workshop of the Hawaiian Homes Commission was held at Hale Pono`i, 91-5420 Kapolei Parkway, Kapolei, O`ahu, Hawai`i, beginning at 10:00 a.m. via **Teleconference**

PRESENT

William J. Aila Jr., Chairman
Randy K. Awo, Maui Commissioner
Zachary Z. Helm, Moloka`i Commissioner
David B. Ka`apu, West Hawai`i Commissioner
Michael L. Kaleikini, East Hawai`i Commissioner
Russell K. Kaupu, O`ahu Commissioner
Pauline N. Namu`o, O`ahu Commissioner
Dennis L. Neves, Kauai Commissioner
Patricia A. Teruya, O`ahu Commissioner

COUNSEL

Ryan Kanaka`ole, Deputy Attorney General

STAFF

Tyler I. Gomes, Deputy to the Chairman
Paula Aila, Acting Contact and Awards Division Administrator
Leah Burrows-Nuuanu Secretary to the Commission
Cedric Duarte, ICRO Officer Information & Community Relations Office
David Hoke, Enforcement Officer
Oriana Leao, Secretary to Deputy Director
Lehua Kinilau-Cano, Legislative Analyst
Jane Pascual, ICRO Specialist
Michael Lowe, ICRO Specialist
Marjorie Adkins, ICRO Office Assistant

ORDER OF BUSINESS

CALL TO ORDER

Chair Aila called the meeting to order at 10:20 a.m. All members were present via teleconference at roll call.

Pursuant to the Governor's March 16, 2020, and May 5, 2020, Supplementary Proclamations in response to the COVID-19 pandemic, Hawai`i Revised Statutes ("HRS") Chapter 92 regarding public agency meetings and records are currently suspended through June 30, 2020, to the extent necessary to enable boards to conduct business without holding meetings open to the public and to allow state agencies the ability to more effectively provide emergency relief and engage in emergency management functions. A recording of the meeting will be posted to the DHHL website as soon as possible.

APPROVAL OF AGENDA

MOTION/ACTION

Moved by Commissioner Neves, seconded by Commissioner Teruya, to approve the agenda.
Motion carried unanimously.

WORKSHOP DISCUSSION ON DHHL FY 2020-21 HAWAIIAN HOME LANDS BUDGET

A. DHHL Sources of Funding: Federal, General Fund, General Obligation Bond, Trust Fund, Special Fund; etc.

Administrative Services Officer Rodney Lau stated he would go over the Department's fund structure, and then talk about the discussion with the Legislature, and then the budget at hand.

The Department's funding sources are two special funds, five trust funds and two revolving funds. The funds are authorized under section 213 of the Hawaiian Homes Commission Act. The funds are being used to augment whatever the Legislature provides, which is general funding and general obligation bond support.

There are also external sources of funding which include general funds, general obligation bonds, revenue bonds and federal funds.

The Hawaiian Homes Administration Account is to provide administrative and operating cost funding in the absence of general funds support. The sources of revenue are from available lands (general leases, revocable permits, licenses, rights of entry). Revenue from available lands are pledged to the repayment of DHHL Revenue Bonds. Excess funds may be transferred upon Commission approval back into the Administration account.

The DHHL Revenue Bonds Special Fund was created in 1991. The monies are pledged from the revenue from the available lands. In 2017, the Department refunded the DHHL Revenue Bonds Special Fund. OHA has pledged to pay \$3M annually to the repayment of the revenue bond debt service.

Five Trust Funds:

1. The Hawaiian Home Lands Trust Fund. Also known as the Settlement Fund may be used for purposes authorized under the Hawaiian Homes Commission Act.
2. The Hawaiian Home Operating Fund and the Hawaiian Home Development Fund.
3. The Native Hawaiian Rehabilitation Fund was created in 1978 to the State Constitution. This fund is intended to be used exclusively for native Hawaiians' benefits (economics, social, political and cultural processes that would improve and perpetuate native Hawaiians).
4. The Hawaiian Home Trust Fund is funded through transfers from the Hawaiian Homes general loan funds or any other fund that may be used for public purposes. Public purposes are government loans, guarantees and insured loans.
5. The Hawaiian Home Receipts Fund contains interest from the general loan fund and other funds that do not require the interest to be deposited back into those funds.

Revolving Loan Funds.

1. The Hawaiian Home Loan Fund has a Congressional cap of \$5 million which was reached in 1965. There is very little cash in the fund so it has been used for the reawards of surrendered and cancelled leases.

2. The Hawaiian Home General Loan Fund was created by a series of appropriations provided by the Legislature. The major source of receipts for this fund is through principal repayment of loans.

For the external funding sources, in 2020 the Department was appropriated \$18 million and discussions are still in for 2021. The Legislature is proposing to abolish 51 positions in 2021 and reduce the funding to \$15.5 million in general funding. The new position count would be 148 positions.

In FY 2021, in the current Legislative session, the Legislature appropriated \$38.4 million in new monies, reappropriated \$5.6 million in general obligation bonds (GO Bonds) that were subject to lapsing on June 30, 2020. The Legislature kept the federal funds authorization to \$23 million.

Commissioner Awo asked for a recap on the general obligation bonds (GO Bonds). R. Lau stated, \$26 million was appropriated in FY 2020, through Act 40. The \$34.85 million is what the Legislature is proposing to fund the Department in GO Bonds. The \$5.6 million funding is set to lapse on June 30, 2020, but the Legislature created a proviso to extend it to 2021.

R. Lau stated the total package for the Biennium is \$66.4 million. There's a 17% reduction in the Department's general fund budget due to the Legislature abolishing 51 positions.

Executive Assistant Jobie Masagatani clarified that when the legislators took those vacancies, their intention was to unfund positions, but provide an opportunity to keep the positions with either temporary assignments or 89-day hires. That's across the board not just DHHL; it's for all of the state agencies.

J. Masagatani added that the Budget Bill passed by the Legislature earlier, also took about \$3.1 million in the current fiscal year. The amount that was cut for 2021, is the same amount cut from the current fiscal year. The Department believes it can absorb the cut in the current fiscal year which will be ending soon.

Chair Aila stated when the budget was being put together, they were forecasting \$1.5 billion shortfall. The Council of Revenue projections are closer to \$2.3 billion. The hope is that they're not going to take away the positions.

J. Masagatani stated the 149 positions that are seen on the budget for 2021 are positions that are all filled. What the Legislature took were the Department's vacancies as of April 4th, but several of those vacancies were used to provide temporary assignments and 89-day hires. There are about 17 positions that are officially vacant, but have a warm body in the position which is either a temporary assignment or an 89-day hire. Those are the positions the Department is trying to preserve through the last Legislative cycle.

J. Masagatani stated the Department had 200 positions and the Legislature eliminated 51 positions. A number of the Department's vacancies were caught in reorgs, and the Department submitted those to Budget and Finance (B&F) in November. The other challenge was B&F did not allow the Department to fill any of it's exempt from civil service positions. In order to fill the vacancies it had to convert the exempt to civil service and go through the civil service recruitment process.

J. Masagatani stated an exempt position is exempt from civil service. There is more latitude in terms of qualification. The department's statutory authority to have exempt positions is if they are paid for with special or trust funds, but 100% of the Department's positions are now paid with general funds. B&F has been strict about providing the authority to the Department to fill vacant exempt positions.

Commissioner Namu'o stated if the Legislature is cutting all across the board that's actually a good thing. She felt that Jobie and her staff is preparing for what the Legislature is going to take and that they know the process and how to work the budget positions and the budget requirements.

Chair Aila stated the Commission may have to return to adjust the budget based upon what the Legislature does.

B. Presentation on DHHL Budget Sections to include:

- **Administrative and Operating Expenses Section**
- **Loans Section**
- **Rehabilitation Projects Section**
- **Development Budget Section**

R. Lau stated the FY 2021 proposed budget is \$31.85 million which is a reduction of \$4.9 million and approximately a 13.3% reduction from the prior fiscal year. The budget is the same in 2021 as it is in 2020.

The department is looking at augmenting the FHA247 loan program by creating a reserve in the Hawaiian Home Lands' Trust Fund.

The Rehabilitation Project will be funded through the Native Hawaiian Rehabilitation Fund. There's a total of \$2.15 million.

Acting Land Development Division Administrator Stewart Matsunaga presented the Development Budget.

Note: Development Budget slide show attached.

Commissioner Ka'apu asked for an explanation of the federal funds reimbursement and the dispute resolution. He asked how much money had to be reimbursed to NAHASDA in the current year and why it was raised to \$1.156 million.

J. Masagatani stated there were two situations where DHHL had to reimburse the NAHASDA program. The first case had to do with interim construction financing that was set aside for the Kauluokahai program. Since the exact incomes of the families who are selected are not known, DHHL ended up replacing \$5 million of NAHASDA resources. As DHHL got a better sense of the incomes of the selected families many families were above the 80% AMI.

Commissioner Ka'apu's concern is that the Commission is appropriating funds for dispute resolution that it has no idea what it's for. If there is no accountability for it, that would be a concern in appropriating those funds without knowing what they're for.

Chair Aila asked Commissioners if they would feel better with a placeholder amount, and an approval from the Commission for funds when a situation arises. Commissioner Kaapu agreed.

Commissioner Helm asked for an update on scattered lots on Moloka'i. S. Matsunaga stated there are infrastructure issues in Kalamaula and Ho'olehua, the budget for FY 2021 will be \$209,000.

Commissioner Teruya asked what the funding for Voice of America is being used for. Project Manager Daryl Ing stated \$800,000.00 were encumbered for planning and designing for the Voice of America. The funding is barely going to cover the environmental and offsite studies. Once the current scope of work is done, the funding can be used to start building the designs for the onsite construction.

Commissioner Ka'apu asked if the Papakolea infrastructure projects include lot remediation. S. Matsunaga stated they are included. There are other areas where road retaining walls need to be repaired before the homesteader can reconstruct their home. Everything is on a slope, there isn't enough money for everything, but the work is what the budget can sustain.

Commissioner Ka'apu asked when the Kawaihae road channelization project would be done. S. Matsunaga stated they need to finalize easement documents and have Hawaiian Telcom move the poles.

Commissioner Namu'o asked that Commissioners be informed when projects in their respective areas are starting.

Commissioner Teruya asked about a line item to Villages of Kapolei. S. Matsunaga stated when the project was purchased, part of the purchase price assumed a certain density of the lots in Maluohai and Kaupea. It was not built to that certain density so DHHL pays the Village of Kapolei for the maintenance fees that they would have received. This appears on the budget annually.

PUBLIC TESTIMONY ON AGENDIZED ITEMS

Testimonies for agendized items were submitted in writing to the Department of Hawaiian Home Lands website at www.dhhl.hawaii.gov/hhc/hhc-contact. Testimonies received by yesterday's deadline were forwarded to the Commission. Testimonies received after the deadline were stamped late and submitted to the Commissioners after the emergency meeting adjourned.

ITEM A-1 Bo Kahui

ITEM A-2 Kekoa Enomoto

ITEM A-3 Blossom Feiteira

Note: Testimonies are attached.

ANNOUNCEMENTS AND ADJOURNMENT

NEXT MEETING

The next meeting will be held on June 16, 2020, in Kapolei, O`ahu, Hawai`i at 9:30 a.m. via Teleconference.


MOTION/ACTION

Moved by Commissioner Ka`apu, seconded by Commissioner Namu`o, to adjourn the meeting.
Motion carried unanimously.

ADJOURNMENT


12:58 P.M.

Respectfully submitted:



William J. Aila Jr., Chairman
Hawaiian Homes Commission

Prepared by:



Leah Burrows-Nuuanu, Commission Secretary
Hawaiian Homes Commission

APPROVED BY:

The Hawaiian Homes Commission at its regular monthly meeting on:

July 21, 2020

Attachments

1. Public Testimony – Bo Kahui
2. Public Testimony – Kekoa Enomoto
3. Public Testimony – Blossom Feiteira
4. DHHL Development Budget Presentation

Exhibits and Public Testimonies

BUDGET AND FUNDING SOURCES

Internal Funding Sources

✦ 2 Special Funds

- H.H. Administration Account
- DHHL Revenue Bond Special Fund

✦ 5 Trust Funds

- HHL Trust Fund (Act 14, SpSLH 1995)
- H.H. Operating Fund (Act 27, SLH 1998)
 - Operating Portion
 - Development Portion
- Native Hawaiian Rehabilitation Fund (Act 27, SLH 1998)
- HH Trust Fund (Act 27, SLH 1998)
- HH Receipts Fund (Act 27, SLH 1998)

✦ 2 Revolving Funds

- HH Loan Fund
- HH General Loan Fund

External Funding Sources

- ✦ General Fund
- ✦ General Obligation Bonds
- ✦ Revenue Bonds
- ✦ Federal Funds

Department of Hawaiian Home Lands
Internal Funding Sources

Name of Fund: **Hawaiian Home Administration Account (S-325)**

Means of Financing: Special Fund

1. Description and Purpose of Fund (including revenue source):

In 1959, the Hawaii Admission Act (Act of March 18, 1959, Pub. L. 86-3, 73 Stat 4) provided that ownership of Hawaiian home lands (HHL) be transferred from the United States to the State of Hawaii. The Admission Act also provided that the HHL, as well as proceeds and income therefrom were to be held by the State in trust for native Hawaiians and administered in accordance with the Act, and that use of HHL for any other purpose would constitute a breach of trust for which suit may be brought by the United States.

Section 4 of the Hawaii Admissions Act, states in part:

"(3) that all proceeds and income from the "available lands" as defined by said Act, shall be used only in carrying out the provisions of said Act" (emphasis added).

Section 5(f) of the Hawaii Admissions Act, states in part:

"Such lands, proceeds, and income shall be managed and disposed of for one or more of the foregoing purposes in such manner as the constitution and laws of said State may provide, and their use for any other object shall constitute a breach of trust for which suit may be brought by the United States." (emphasis added).

REVENUE LINE ITEMS:

- 1) The entire receipts from any leasing or other dispositions of "available lands" are deposited into this account. Any interest or other earnings arising out of investments from this fund are to be credited to this fund.

Receipts of this fund are from general leases, licenses, revocable permits, rights of entry, and other dispositions of Hawaiian home lands. The Admission Act and the Constitution stipulate that all proceeds and income from "available lands," as defined by the HHCA, "shall be used only in carrying out the provisions of said Act."

EXPENDITURE LINE ITEMS:

- 1) The monies are to be expended by the department for salaries and all other administrative expenses of the department, excluding capital improvements, in the absence of general funds appropriated for operating and administrative costs.

Funds of the Administration Account must be incorporated in the Executive Budget and appropriated by the legislature before they can be used for salaries and operating costs.

OTHER CHANGES IN FUND BALANCE:

- 1) The HHCA provides that the excess of the receipts deposited into the Hawaiian Home Administration Account over the amount approved or made available by the legislature may be transferred to the Hawaiian Home Operating Fund.
- 2) All revenues from "available" lands are pledged to the repayment of DHHL revenue bonds. Monies in excess of the reserve and debt service requirements may be transferred back to the Administration Account upon Commission approval.

2. Statutory Basis of Fund:

Section 213(f), Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Department of Hawaiian Home Lands Revenue Bond Special Fund (S-350)

Means of Financing: Special Fund

1. Description and Purpose of Fund (including revenue source):

In 1959, the Hawaii Admission Act (Act of March 18, 1959, Pub. L. 86-3, 73 Stat 4) provided that ownership of Hawaiian home lands (HHL) be transferred from the United States to the State of Hawaii. The Admission Act also provided that the HHL, as well as proceeds and income therefrom were to be held by the State in trust for native Hawaiians and administered in accordance with the Act, and that use of HHL for any other purpose would constitute a breach of trust for which suit may be brought by the United States.

Section 4 of the Hawaii Admissions Act, states in part:

"(3) that all proceeds and income from the "available lands" as defined by said Act, shall be used only in carrying out the provisions of said Act" (emphasis added).

Section 5(f) of the Hawaii Admissions Act, states in part:

"Such lands, proceeds, and income shall be managed and disposed of for one or more of the foregoing purposes in such manner as the constitution and laws of said State may provide, and their use for any other object shall constitute a breach of trust for which suit may be brought by the United States." (emphasis added).

In 2017, DHHL refunded \$30.94 million in revenue bonds. All revenues from "available" lands were pledged to the repayment of these bonds. Monies in excess of the reserve and debt service requirements may be transferred back to the Administration Account upon Commission approval.

Pursuant to section 213.5 of the HHCA, the department is required to establish a Revenue Bond Special Fund for each undertaking financed by revenue bonds. A special fund was established for the revenue bonds issued in 1991. Sources of monies for this fund are:

1. Revenues committed for payment of debt service and maintenance of reserve accounts.
2. Interest from investments of reserve accounts.

The monies are primarily used to repay the debt service on the bonds and to maintain a reserve account as required by the bond resolution.

2. Statutory Basis of Fund:

Section 213.5, Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Hawaiian Home Lands Trust Fund (T-902)

Means of Financing: Trust Fund

1. Description and Purpose of Fund (including revenue source):

Act 14, Special Session 1995, (DHHL Land Claims Settlement Act) settles all claims made on behalf of the Hawaiian Home Lands Trust against the State between August 21, 1959 and July 1, 1988. It required that the State make twenty annual deposits of \$30,000,000 or their discounted equivalent into the Hawaiian Home Lands Trust Fund. Proceeds of the fund may be used by DHHL for capital improvements and to meet the requirements of the Hawaiian Homes Commission Act of 1920, as amended. The settlement payments were paid in full in 2015.

2. Statutory Basis of Fund:

Section 213.6, Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Hawaiian Home Operating Fund (T-905, T-915)

Means of Financing: Trust Fund

1. Description and Purpose of Fund (including revenue source):

The Hawaiian Home-Development Fund, established in 1941 as a special fund, and the Hawaiian Home Operating Fund, established in 1948 as a revolving fund, were merged into one fund, the Hawaiian Home Operating Fund, in 1986. Section 4 of the Hawaii Admissions Act (Act of March 18, 1959, Pub. L. 86-3, 73 Stat 4) made the Hawaiian Homes Commission Act (HHCA) a State law by compact with the United States. Under this compact, the Hawaiian Home Development Fund and the Hawaiian Home Operating Fund may not be the subject of amendments that impair or reduce them without the consent of Congress. Consequently, the Hawaiian Home Operating Fund is managed as two

separate portions, the operating portion and the development portion, to retain the characteristics and substance of the predecessors of this fund.

Section 4 of the Hawaii Admissions Act, states in part:

"the Hawaiian home-loan fund, the Hawaiian home-operating fund, and the Hawaiian home-development fund shall not be reduced or impaired by any such amendment, whether made in the constitution or in the manner required for State legislation, and the encumbrances authorized to be placed on Hawaiian home lands by officers other than those charged with the administration of said Act, shall not be changed except with the consent of the United States" (emphasis added).

REVENUE LINE ITEMS:

- 1-2) Loan Interest/ Investment Interest - Pursuant to section 213(b) of the Hawaiian Homes Commission Act (HHCA), any interest or earnings arising out of investments from the Hawaiian Home Loan Fund are to be credited to and deposited into the Hawaiian Home Operating Fund.
- 3) Miscellaneous - Pursuant to section 213(e) of the HHCA, all moneys received by the department from any other source, other than those prescribed in other funds of the HHCA, are deposited into the Hawaiian Home Operating Fund. This includes receipts collected from the Molokai, Kawaihae and Anahola Water systems, hall rentals, and homestead lease payments.

EXPENDITURE LINE ITEMS:

Uses of the operating portion of the Hawaiian Home Operating Fund include:

1. Construction operation and maintenance of revenue-producing activities (such as the Molokai Water System, Kawaihae and the Anahola Farm Lots Water Systems) that are intended to serve principally occupants on Hawaiian home lands.
2. Purchase of goods and services to be resold, rented or furnished on a charge basis to occupants of Hawaiian home lands. The department operates a community hall in Waimea on the island of Hawaii.
3. Cost of appraisals, studies, consultant services or other staff services, including those in section 202(b) of the HHCA. Some of DHHL temporary exempt hires are funded from this portion of the Operating Fund.

The uses of the development portion of the Hawaiian Home Operating Fund, which require written approval of the Governor, include:

1. Improvement and development necessary to serve present and future occupants of Hawaiian home lands.

2. Improvements, additions, and repairs to all assets owned or leased by the department excluding structures or improvements that the department is obligated to acquire under Section 209 of the HHCA.
3. Engineering, architectural and planning services to maintain and develop properties.
4. For consultant services.
5. For purchase or lease of equipment.
6. For acquisition or lease of real property; and
7. Improvements constructed for the benefit of the beneficiaries of the HHCA and not otherwise permitted in the loan funds or Administration Account.

OTHER CHANGES IN FUND BALANCE:

- 1) The Hawaiian Homes Commission authorizes the quarterly transfer of moneys from the Hawaiian Home Receipts Fund to the Hawaiian Home Operating Fund.
- 2) Any amount in the Hawaiian Home Administration Account which is in excess of the amount approved by the State Legislature or made available for the fiscal period may be transferred to the Hawaiian Home Operating Fund.

2. Statutory Basis of Fund:

Section 213 (e), Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Native Hawaiian Rehabilitation Fund (T-924)

Means of Financing: Trust Fund

1. Description and Purpose of Fund (including revenue source):

The Native Hawaiian Rehabilitation Fund (NHRF) was created by the 1978 Constitutional Convention to finance various activities intended to exclusively benefit native Hawaiians. This includes, but is not limited to, educational, economic, political, social, and cultural processes by which the general welfare and conditions of native Hawaiians are improved and perpetuated. The specific sources of NHRF funds vary, but are primarily derived from certain lands labeled "ceded lands" which were conveyed from the federal government to the State when it was admitted into the Union.

REVENUE LINE ITEMS:

- 1) Thirty percent of the state receipts, derived from lands previously cultivated and cultivated as sugarcane lands and from water licenses, are deposited into this fund.

- 2) Any payments of principal, interest or other earnings arising out of the loan or investments from the fund are credited and deposited into this fund.

EXPENDITURE LINE ITEMS:

- 1) NHRF has also been involved in the financing of community based projects and an education scholarship program within the native Hawaiian community.

2. Statutory Basis of Fund:

Section 213(i), Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Hawaiian Home Trust Fund (T-917)

Means of Financing: Trust Fund

1. Description and Purpose of Fund (including revenue source):

Monies deposited into this fund are available for transfers into any other fund or account authorized by the Act or for any public purpose to further the purposes of the Act. Public purpose includes using the Hawaiian home trust fund as a reserve for loans insured or guaranteed by the Federal Housing Administration, Veteran Administration or any other federal agency authorized to insure or guarantee loans. A major deposit in the Hawaiian home-trust fund is the reserve for loans insured by the Federal Housing Administration.

2. Statutory Basis of Fund:

Section 213(h), Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Hawaiian Home Receipts Fund (T-916)

Means of Financing: Trust Fund

1. Description and Purpose of Fund (including revenue source):

All interest monies from loans or investments received by the department from any fund (except as provided in each fund) are deposited into this fund. In essence, the fund was to serve as a clearing fund at the end of each quarter, all monies in this fund may be transferred to the Hawaiian home-operating fund, the Hawaiian home-administration account, the Hawaiian home-trust fund or any loan fund in accordance with rules adopted by the department.

2. Statutory Basis of Fund:

Section 213 (g), Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Hawaiian Home Loan Fund (S-302)

Means of Financing: Revolving Fund

1. Description and Purpose of Fund (including revenue source):

The Hawaiian Home Loan Fund was established in 1921 as a revolving fund. Section 4 of the Hawaii Admissions Act (Act of March 18, 1959, Pub. L. 86-3, 73 Stat 4) made the Hawaiian Homes Commission Act (HHCA) a State law by compact with the United States. Under this compact, the Hawaiian Home Loan Fund may not be the subject of amendments that impair or reduce its powers and benefits without the consent of Congress.

Section 4 of the Hawaii Admissions Act, states in part:

"the Hawaiian home-loan fund, the Hawaiian home-operating fund, and the Hawaiian home-development fund shall not be reduced or impaired by any such amendment, whether made in the constitution or in the manner required for State legislation, and the encumbrances authorized to be placed on Hawaiian home lands by officers other than those charged with the administration of said Act, shall not be changed except with the consent of the United States" (emphasis added).

REVENUE LINE ITEMS:

Loan Principal Repayment - Pursuant to section 213(b) of the Hawaiian Homes Commission Act (HHCA), any principal repayment arising out of loans from the Hawaiian Home Loan Fund are to be credited to and deposited into the Hawaiian Home Loan Fund.

The Hawaiian Home Loan Fund is used principally to pay the net proceeds when a homestead lease is canceled or surrendered or when a lessee dies without leaving a qualified successor.

2. **Statutory Basis of Fund:**

Section 213 (b), Hawaiian Homes Commission Act of 1920, as amended

Name of Fund: Hawaiian Home General Loan Fund (S-323)

Means of Financing: Revolving Fund

1. **Description and Purpose of Fund (including revenue source):**

Act 249, passed by the 1986 State Legislature consolidated all remaining loan funds other than the Hawaiian home-loan fund into the Hawaiian home-general loan fund. These loan funds were established through various amendments to the Act since statehood. The major source of receipts for this fund is through principal repayment of loans.

The department can make loans from the revolving funds for the following purposes:

1. Repair, maintenance, purchase or erection of dwellings on any tract and any permanent improvements.
2. Purchase of livestock and farm equipment (including aquaculture).

3. Farm loans not to exceed \$200,000.

In addition, the department may:

4. Use money in the Hawaiian home-operating fund to secure matching funds from federal, state or county agencies.
5. Loan or guarantee the repayment of loans or otherwise underwrite any authorized loan or portion thereof to lessees in accordance with Section 215 of the HHCA.
6. Permit loans to lessees by government agencies or private lenders, where the department assures payment of such loans in case of default.
7. Secure, pledge, or otherwise guarantee the repayment of money borrowed by the department from government agencies or private lenders. Money borrowed by the department or on departmental guarantees of loan shall at no time exceed \$100,000,000.
8. Use available loan fund monies or other funds as cash guarantees when required by lenders.
9. Exercise the functions of a lender of money in all direct loans made by government agencies or private lenders to lessees of which repayment is guaranteed by the department.
10. Pledge receivables of loan accounts outstanding as collateral to secure loans made by government agencies or private lenders to the department, the proceeds of which shall be used to make new loans.
11. Transfer into the Hawaiian home-trust fund any available money from any loan fund, except the Hawaiian home-loan fund, for use as cash guarantees or reserves when required by a federal agency authorized to insure or guarantee loans to lessees.

2. Statutory Basis of Fund:

Section 213 (c), Hawaiian Homes Commission Act of 1920, as amended

Department of Hawaiian Home Lands

OPERATING BUDGET BY APPRIOPRIATED AND NON-APPROPRIATED FUNDING SOURCES

		FISCAL YEAR		
		2020	2021	
I.	Funds Appropriated by the Legislature	(200)	(149)	HB 2200 HD 1 SD 1
	• General Fund	\$18,638,060	\$15,532,062	
	• H.H. Administration Account	\$4,824,709	\$4,824,709	Special Fund
	• H.H. Operating Fund			
	Operating Portion	\$3,740,534	\$3,740,534	
	Development Portion	\$0	\$0	
	Total Operating Fund	\$3,740,534	\$3,740,534	Trust Fund
II.	Non-Appropriated Funds			
	• H.H. Operating Fund			
	Operating Portion	\$2,773,375	\$2,403,437	
	Development Portion	\$1,122,750	\$0	
	Total Operating Fund	\$3,896,125	\$2,403,437	Trust Fund
	• Native Hawaiian Rehabilitation Fund	\$1,300,000	\$1,150,000	Trust Fund
	• DHHL Revenue Bond Special Fund	\$3,200,000	\$3,200,000	Special Fund

Department of Hawaiian Home Lands
Operating Budget: FY 2020, FY 2021 Budget Request

	FISCAL YEAR	
	2020	2021
A--Personnel Cost	\$11,826,382	\$8,720,364
B --Current Expenditure	24,440,994	21,661,378
C --Equipment	438,472	419,000
M--Motor Vehicle	50,000	50,000
Total	<u>\$36,755,848</u>	<u>\$30,850,742</u>

Department of Hawaiian Home Lands
Loan Section
FY 2020/ FY 2021 Loan Request

<i>Loans: Fiscal Year 2020</i>	<i>Total</i>	(S-302-I) HH Loan Fund	(S-323-I) HH General Loan Fund	(T-917-I) HH Trust Fund	(T-902-I) HHL Trust Fund	NAHASDA
A. Section 209 HHC Transaction	3,000,000	2,000,000	1,000,000	0	0	0
B. Direct Loan Financing	11,000,000		3,000,000	0	0	8,000,000
C. Real Property Taxes	100,000		100,000	0	0	0
D. Contingency-Guaranteed/Insured Loan Portfolio	2,400,000		1,200,000	1,200,000	0	0
E. Loans + Interest Receivable Writedowns	1,200,000		0	0	1,200,000	0
Total Loans	17,700,000	2,000,000	5,300,000	1,200,000	1,200,000	8,000,000

<i>Loans: Fiscal Year 2021</i>	<i>Total</i>	(S-302-I) HH Loan Fund	(S-323-I) HH General Loan Fund	(T-917-I) HH Trust Fund	(T-902-I) HHL Trust Fund	NAHASDA
A. Section 209 HHC Transaction	3,000,000	2,000,000	1,000,000	0	0	0
B. Direct Loan Financing	11,000,000		3,000,000	0	0	8,000,000
C. Real Property Taxes	100,000		100,000	0	0	0
D. Contingency-Guaranteed/Insured Loan Portfolio	2,400,000		1,200,000	1,200,000	0	0
E. Loans and Interest Receivable - Writedowns	1,200,000		0	0	1,200,000	0
Total Loans	17,700,000	2,000,000	5,300,000	1,200,000	1,200,000	8,000,000

Rehabilitation Projects

7110	Native Hawaiian Development Program and Plan	\$1,000,000
7110	Leader Gatherings	\$150,000
8200	Loans for Telecom Trenching	<u>\$1,000,000</u>
	Total	<u><u>\$2,150,000</u></u>

**Department of Hawaiian Home Lands
Executive Budget for FY 2021**

Object Code	General Fund	Administration and Operating Costs				NHRF	Rev. Bond Special Fund	NAHASDA	TOTAL BUDGET
		Account	Operating Portion	Development Portion	Operating Fund (Non App) Operating Portion Development Portion				
2000	8,720,364	0	0	0	0	0	0	0	8,720,364
2900	Other Personal Services	225,000	0	0	0	0	0	0	929,000
3010	Operating Supplies - Gas & Oil Supplies	68,800	18,000	0	0	0	0	0	96,800
3020	Operating Supplies - Fuel & Oil Other	2,950	26,500	0	0	0	0	0	32,450
3030	Operating Supplies - Janitorial	24,380	6,548	0	0	0	0	0	30,928
3090	Operating Supplies - Others	24,500	17,284	0	0	0	0	0	44,134
3100	Maintenance Materials Supplies & Parts	11,800	100,000	0	0	0	0	0	111,800
3200	Office Supplies	127,150	800	0	0	0	0	0	127,950
3400	Other Supplies	21,866	1,500	0	0	0	0	0	23,366
3500	Dues and Subscriptions	15,962	300	0	0	0	0	0	18,262
3600	Freight and Delivery Charges	3,570	4,000	0	0	0	0	0	8,170
3700	Postage	181,990	4,550	0	0	0	0	0	186,540
3800	Telephone	131,460	600	0	0	0	0	0	132,060
3900	Printing and Binding	74,700	0	0	0	0	0	0	74,700
4000	Advertising	75,950	500	0	0	0	0	0	76,450
4100	Car Mileage	37,500	0	0	0	0	0	0	37,500
4200	Transportation, Intrastate	327,900	7,000	0	0	0	0	0	334,900
4300	Subsistence Allowance, Intra-State	187,970	4,000	0	0	0	0	0	191,970
4400	Transportation, Out of State	49,000	0	0	0	0	0	0	49,000
4500	Subsistence Allowance, Out of State	40,250	1,000	0	0	0	0	0	41,250
4600	Hire of Passenger Cars	55,325	3,000	0	0	0	0	0	58,325
5000	Electricity	402,000	510,200	0	0	0	0	0	1,577,200
5200	Water	113,700	229,800	0	0	0	0	0	360,500
5500	Rental of Land and Bldg.	12,800	0	0	0	0	0	0	12,800
5600	Rental of Equipment	82,400	1,000	0	0	0	0	0	85,900
5700	Other Rentals	1,733,250	0	0	0	0	0	0	1,783,250
5810	Repairs- Data Processing	14,000	0	0	0	0	0	0	14,000
5815	Maintenance - Data Processing	130,000	0	0	0	0	0	0	130,000
5820	Repairs- Equipment, Building, etc.	82,410	25,500	0	0	0	0	0	109,910
5825	Maintenance- Equipment, Building, etc.	368,100	73,972	0	0	0	0	0	487,622
5830	Repairs- Motor Vehicles	39,500	10,000	0	0	0	0	0	52,500
5835	Maintenance- Motor Vehicles	502,750	5,000	0	0	0	0	0	512,750
5840	Maintenance-Unencumbered Lands & Other	134,625	200,000	0	0	0	0	0	334,625
5895	Maintenance-Other Miscellaneous	78,184	5,000	0	0	0	0	0	83,184
5900	Insurance	75,000	0	0	0	0	0	0	75,000
7110	Services Fee Basis	744,150	2,412,600	125,000	2,403,437	0	0	0	8,231,087
7230	Training Costs	116,750	32,000	0	0	1,150,000	0	0	1,305,750
7290	Other Current Expenditures	13,056	20,809	0	0	0	0	23,318,527	23,368,272
7700	Equipment	2,000	25,000	50,000	0	0	0	0	52,000
7700	Motor Vehicle	0	0	0	0	0	0	0	0
7900	Construction in Progress	0	0	0	0	0	0	0	0
6120/8020	Debt Service: Revenue Bond Payment	0	0	0	0	0	3,200,000	0	3,200,000
8200	Loans Receivable	0	0	0	0	1,000,000	0	0	1,000,000
Total - Current Expenditure & Equipment		6,811,698	4,824,709	225,000	2,403,437	0	3,200,000	23,318,527	46,448,905
Total		15,532,062	4,824,709	225,000	2,403,437	0	3,200,000	23,318,527	55,169,269
A--Personnel Cost		8,720,364	0	0	0	0	0	0	8,720,364
B --Current Expenditure		6,809,698	4,482,709	125,000	2,403,437	0	3,200,000	23,318,527	45,979,905
C --Equipment		2,000	342,000	50,000	0	0	0	0	419,000
M--Motor Vehicle		0	0	50,000	0	0	0	0	50,000
Total		15,532,062	4,824,709	225,000	2,403,437	0	3,200,000	23,318,527	55,169,269
HB 2200 HD 1 SD 1		15,532,062	4,824,709	3,740,534	2,403,437	0	3,200,000	23,318,527	55,169,269

Department of Hawaiian Home Lands				
Development Budget (FY 2021)				
(000's omitted)				
Project / Description	HHL Trust Funds		FY 2021 Budget Request	
	FY 2020 Carry-over	New Funds	HHL Trust Funds	Leg Appns
PART A: Lot Development Projects (Addressing the homestead waiting list)				
<u>OAHU</u>				
Kakaina Subdivision	100		100	
East Kapolei II-B Na Kupa'a Loan Payoff	2,300		2,300	
East Kapolei II-C Site Construction	9,500		9,500	5,000
East Kapolei II-A TOD (SLH 19, F-7)			-	2,000
East Kapolei II-E, Engineering		1	1	
Voice of America Phase I Infrastructure		800	800	-
Waimanalo Agricultural Lots (SLH 19, F-7)			-	3,500
Land Acquisition, Oahu (SLH 19, F-9)			-	1,000
<u>MAUI</u>				
Keokea-Waiohuli, Phase 1 - 4		1	1	
Keokea-Waiohuli, Phase 2A (SLH 19, F-7)			-	4,700
Keokea-Waiohuli, Phase 2B			-	10,600
Maui Development Fees (water, sewer, school district)	175		175	-
Lei Alii Phase 1B	505		505	-
Lei Alii Highway and Access Improvements (SLH 20, F-9.1)			-	9,000
Scattered lot improvements for UI relocations	350		350	-
Pulehunui Development (GOB F-22)		1	1	-
Kahikinui Roadways	556		556	-
Puunani Development	-	2,500	2,500	-
<u>LANAI</u>				
Lanai Residence Lots, Phase 2B		1	1	
<u>MOLOKAI</u>				
Hoolehua Scattered Ag Lots (GOB F-14)			-	1,150
Naiwa Ag Lot Subdivision (GOB F-15)			-	950
<u>BIG ISLAND</u>				
Panaewa - Subsistence Ag Lots (Lot 185)	1,500	1,000	2,500	-
HCC Home Project		230	230	-
Keaukaha Scattered Lots		1,000	1,000	-
Kaumana Subdivision Rehabilitation (GOB F-8)			-	285
Honomu (SLH 19, F-7)	13		13	2,000
Kau Agricultural Lots (Pueo)		100	100	-
Lalamilo Housing Phase 2A, Increment 1	1,000		1,000	-
Laiopua Village 5 Punch List		200	200	-
Laiopua Village 4 (Hema) Construction	-	1,300	1,300	12,200
<u>KAUAI</u>				
Anahola Residence Lots, Units G & G-1	300		300	-
<u>STATEWIDE PROJECTS</u>				
Scattered Lots program (Statewide)	42	1,500	1,542	-
Acquisition Due Diligence	-	1,000	1,000	-
HHFDC Land Exchange Payment	-	1,700	1,700	-
VOKA Payment	17	56	73	-
Federal Funds Reimbursements/Adjustments	2,000		2,000	-
Dispute Resolution	656	500	1,156	-
PART A SUBTOTAL	\$ 19,014	\$ 11,890	\$ 30,904	\$ 52,385

Department of Hawaiian Home Lands				
Development Budget (FY 2021)				
(000's omitted)				
Project / Description	HHL Trust Funds		FY 2021 Budget Request	
	FY 2020 Carry-over	New Funds	HHL Trust Funds	Leg Appns
PART B: Repair, Maintenance, and Operating Costs (Promoting thriving, healthy communities)				
<u>OAHI</u>				
Papakolea Infrastructure Remediation		1,600	1,600	-
R/M of Improvements on HHL	324	1,250	1,574	-
Drainage Basins and Other areas		750	750	-
Oahu Sewer Improvements		1,150	1,150	-
Nanakuli Roadways Traffic Signalization (SLH 19, F-8)			-	1,000
Waimanalo Concrete Drainage Channel			-	2,200
Waimanalo Speed Abatement, Pedestrian Safety			-	800
Kapolei Parkway Safety Wall			-	50
<u>MAUI</u>				
R/M of Improvements on HHL	-	600	600	-
Archaeological Pres, Keokea-Waiohuli (GOB F-24)			-	900
<u>LANAI</u>				
R/M of Improvements on HHL	25		25	
<u>MOLOKAI</u>				
Molokai Water System/PV	2,147		2,147	-
Molokai Water System/PV (SLH 19, F-8)			-	2,542
R/M of Improvements on HHL	159	50	209	-
Molokai Veterans Center (GOB F-29.05)		500	500	-
<u>BIG ISLAND</u>				
Honokaia Non-potable Water System	-	1	1	-
Kau Water System (GOB F-9)			-	1,279
Kau Water System			-	1,458
Kau Water System, Phase 2		1,000	1,000	-
Maku'u Site Remediation		200	200	-
Lalamilo Housing Ph 1, Kawaihae Road Channelization	50		50	-
Lalamilo Housing Ph 1, Infrastructure Improvements		500	500	-
Puukapu Pastoral Lots Road Improvements		500	500	-
Water Source Development, West Hawaii	112		112	-
Maintenance of Various Vacant Lots	369	500	869	-
<u>KAUAI</u>				
Anahola Dam and Reservoir Additional Impr	716		716	-
Anahola Water System - Long-term Improvements	596		596	-
Drainage Basins, Ditches Repairs and Upgrades	200		200	-
Maintenance of Various Vacant Lots	100	300	400	-
<u>STATEWIDE PROJECTS</u>				
Engineering Services for Various Locations	228	1,000	1,228	-
R/M of Improvements on HHL, Statewide	109	1,000	1,109	-
R/M to Existing Infrastructure			-	2,800
R/M of Utilities in Existing Subdivisions (GOB F-25)			-	1,080
Environmental Mitigation/Remediation		1,000	1,000	-
PART B SUBTOTAL	\$ 5,135	\$ 11,901	\$ 17,036	\$ 14,109
BUDGET SUBTOTAL BY SOF	\$ 24,149	\$ 23,791	\$ 47,940	\$ 66,494

SUMMARY OF LEGISLATIVE CIP APPROPRIATIONS FISCAL BIENNIUM 2019-2021			
Act/Yr	Item No.	Appropriation Title	Appropriation Amt.
40/19	F-7	LUMP SUM LOT DEVELOPMENT, S/W	20,000,000
40/19	F-8	LUMP SUM R&M EXISTING INFRASTRUCTURE, S/W	5,000,000
40/19	F-9	LAND ACQUISITION FOR LOT DEVELOPMENT	1,000,000
		TOTAL SLH 2019	\$ 26,000,000
___/20	F-7	LUMP SUM LOT DEVELOPMENT, S/W	20,000,000
___/20	F-8	LUMP SUM R&M EXISTING INFRASTRUCTURE, S/W	5,000,000
___/20	F-9.1	LEIALII PARKWAY AND HIGHWAY IMPROVEMENTS, MA	9,000,000
___/20	F-9.2	WAIMANALO, OAHU [SPEED ABATEMENT, PEDESTRIAN	800,000
___/20	F-9.3	KAPOLEI PARKWAY, SAFETY WALL, OAHU	50,000
		SUB-TOTAL SLH 2020	\$ 34,850,000
___/20		LAPSE / RE-APPROPRIATE	
	F-8	HAW'N HOME LANDS KAUMANA LOT DEV, HI	285,000
	F-9	HAW'N HOME LANDS KAU LOT DEV, HI	1,278,680
	F-14	HHL HOOLEHUA LOT SITE IMP, MOLOKAI	1,150,000
	F-15	HHL NAIWA SUBD SITE IMP, MOLOKAI	950,000
	F-24	R&M-HHL EXISTING INFRA KEOKEA, MAUI	900,000
	F-25	R&M-HHL EXISTING INFRA UTILITIES, S/W	1,080,053
		SUB-TOTAL REAPPROPRIATE SLH 2020	5,643,733
		TOTAL SLH 2020	\$ 40,493,733
		FISCAL BIENNIUM FY19-21 GRAND TOTAL	\$ 66,493,733

ITEM NO. H-1
ATTACHMENT B



The Villages of La`iopua Association

74-5100 Haleolono Street, Kailua- Kona, HI 97640

808-355-8689 Office

June 10, 2020

William Aila, Chairman
Hawaiian Homes Commission Members
Department of Hawaiian Homes Lands
91-5420 Kapolei Parkway
Kapolei, Hawaii 96707

Aloha Chairman Aila & HHL Commissioners

On Friday June 12, 2020, The Department of Hawaiian Home Land Commission will convene a meeting to discuss the DHHL Budget for the Fiscal year 2020-2021.

On behalf of the Villages of Laiopua Homestead Association and Beneficiary Wait-listers, we request the Commission's support to dedicate and approve the DHHL's Planning Office recommendation in the May 16, 2020 Item G-2 submittal to set-aside and approve the recommendation of \$350,000 to the North Kona/ Holualoa Water Source development.

Accordingly, we request the Commission's approval of the above funds of \$350,000 for the Holualoa Water Source development and water credit agreement.

In addition, I included our earlier memo to the Commission dated May 23, 2016 and the Villages of Laiopua Resolution dated May 11, 2016 outlining our great need for water source development.

Therefore, as President and on behalf of the Villages of Laiopua Association, I submit this letter to you, Mr. Aila and the DHHL Commission and respectfully request to approve the DHHL Planning Office's recommendation of \$350,000 to the North Kona/ Holualoa Water Source development.

On behalf of the membership of our Homestead Beneficiaries, Beneficiary Wait-listers, our Kuuna and Keikis, we respectfully seek consideration in the matter.

Please contact me if you have further questions.

Mahalo Nui,
Dora Aio-Leamons *DAL*
VOLA President

CC: David Kaapu, West Hawaii Commissioner
Bo Kahui, HAC Chair
VOLA Minutes 06102020

Villages of La'i'Opua Association

74-5100 Haleolono Street

Kailua Kona Hawaii, 96740

808-355-8689

May 23, 2016

DHHL Commission Meeting

Memorandum of Record

To: DHHL Commissioners
DHHL Chairperson, Masagatani

Water is necessary for the future of the DHHL housing and La'i'Opua 2020 developments in La'i'Opua. Without water units, it is uncertain now and in the foreseeable future for the expansion for DHHL housing and economic development.

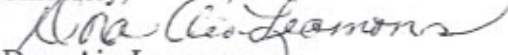
As we understand, DHHL had exhausted all of its water units for the development of Villages IV- Akau for 163 "rent to own" housing development within Village 4 & 5. Also, the Villages of La'i'Opua Association has been waiting for a community park since 2000 and without water the park cannot be constructed. The Village children currently play in the streets which are dangerous.

June 2015, Hawaii Island had the highest waitlist applicants with 14,806 in the state and 5,766 awaiting for residential homesteads. In addition, State Department of Human Services 2013 Utilization Report noted Hawaiians/ Part Hawaiians were second most highest ethnic group homeless at 29% while Caucasian were at 41%. On Hawaii Island.

Over the years, La'i'Opua 2020 has worked diligently with State, Federal, and private partnerships to bridge our funding for our community center development initiative and capacity for our programs and services. To date, they have constructed a 1500 sq. ft Kau I Ka Malie Multi Media Technology & Cultural Center. Partnered to build an 11,000 sq. ft medical & dental facility, and are pad ready for the construction of our 14,000 sq. ft La'i'Opua Community Center facility. This water source project is no different, as L2020 will continue to move forward to bring this project to fruition. Please note that La'i'Opua 2020 is a beneficiary nonprofit corporation serving native Hawaiians in our communities in West Hawaii, and in the Villages.

Therefore, we, the Villages of La'i'Opua (Homesteaders) Association Board adopted a resolution (attached) in support of the La'i'Opua 2020 water development project and respectfully submit our VOLA Association Board request that the Department provide funding support for the La'i'Opua 2020 water development project.

Sincerely,



Dora Aio-Leamons

President, VOLA Board

CC: Governor Ige
Sen. Josh Green
William Aila, DHHL- Deputy
Kahana Albinio, DHHL-LMD
Keith Okamoto, Director-DWS
L2020 Board of Directors

Mike McCartney, Governor COS
Rep. Nicole Lowen
Norman Saskamoto, DHHL-LDD
Kurt Inabe, DWS
Villages of La'i'Opua Association Board

Attachments: VOLA Board Resolution 05112016

La'i'Opua 2020

a 501C-3 non-profit corporation
74-5599 Luhia Street, #E-5
Kailua- Kona, HI 96740

Phone.....808-327-1221
Fax808-327-1223
email.....bokahu@laiopua.org

May 23, 2016
DHHL Commission Meeting
Memorandum of Record

To: DHHL Commissioners
DHHL Chairperson, Masagatani

Subject: Funding Support of \$5.5M to La'i'Opua 2020 for Water Source Development

Dear Chair Masagatani and Commissioners,

As President of the La'i'Opua 2020, and original lease holder of La'i'Opua Association from 1998, La'i'Opua 2020 is requesting the Department of Hawaiian Homes Lands to provide funding \$5.5M support for a water source development project currently proposed by La'i'Opua 2020. This request is matched by La'i'Opua 2020's eligibility for a USDA Rural Utility Service grant of up to 45% of the project cost, or \$4.5M. The water source development project is estimated to cost \$10M dollars.

Today, I'm here representing our La'i'Opua 2020 Board and Homestead beneficiaries requesting the DHHL Commission to direct the Department's Administration to support the funding of the La'i'Opua 2020 Water Source Development request of \$5.5M.

Over the years, La'i'Opua 2020 has worked diligently with State, Federal, and private partnerships to bridge our funding for our community center development initiative and capacity for our programs and services. To date, we have constructed a 1500 sq. ft Kau I Ka Malie Multi Media Technology & Cultural Center. Partnered to build an 11,000 sq. ft medical & dental facility, and are pad ready for the construction of our 14,000 sq. ft La'i'Opua Community Center facility. This water source project is no different, as L2020 will continue to move forward to bring this project to fruition.

It's important to note that today, the Hawaii Island application wait list is the largest in the State with 14,806 applicants on the waitlist. More importantly, close to 40% or 5,766 native Hawaiian beneficiaries are seeking a residential lot across Hawaii Island. The recent DHHL request for Proposal for the construction of 163 "rent to own units" provides native Hawaiian beneficiaries hope and opportunities to become homeowners.

However, the potential to reduce the "residential waitlist" and increase the opportunity for beneficiary homeownership is affected by the lack of water units. In fact, due to the Department's lack of water units, the Departments recourse was to build ½ of Village IV and forego the construction of the Village 4 Park which the Villagers of La'i'Opua had been waiting for since 2000, 16 years ago.

La'i'Opua 2020 Board of Directors adopted the attached resolution to express its serious concerns related to the lack of a water source for the future of the Villages of La'i'Opua homesteads development for housing and parks, and L2020's community and commercial center developments.

We, the La'i'Opua 2020 Board of Directors has worked for over 16 months to find a solution for water source development. We are working with a landowner who has pledged his commitment to offer his property for water source exploration and well development; The State's renowned hydrologist recommended this site to be excellent, with having 95% chance of water; USDA Rural Utilities Service has qualified L2020 as eligible for up to 45% of the project cost for a USDA RUS grant. Lastly, the Department has no water exploration plans that we are aware of nor does it have any water on its lands.

Therefore, as President of La'i'Opua 2020, we the La'i'Opua 2020 Board of Directors humbly and respectfully submit to the DHHL Commission, our requests to take action to adopt this water source initiative, thereby providing funding support at its next Commission meeting.


Samuel Walker, Sr.

President, L2020

5/23/2016
Date

CC: Governor Ige
Sen. Josh Green
William Aila, DHHL- Deputy
Kahana Albinio, DHHL-LMD
Keith Okamoto, Director-DWS
L2020 Board of Directors

Mike McCartney, Governor COS
Rep. Nicole Lowen
Norman Saskamoto, DHHL-LDD
Kurt Inabe, DWS
Villages of La'i'Opua Association Board

Attachments:

L2020 Board Resolution 05122016
L2020 Project Prospectus & Budget
Site Map
DWS Support Letter

Villages of La'i'Opua Association Board of Directors
Resolution 05112016

Supporting La'i'Opua 2020's Water Source Development Project
on TMK 7-014-001-0000: Holualoa

The Villages of La'i'Opua (Homestead) Association is comprised of 14 Villages within the Kealakehe auhupua'a, and considers La'i'Opua 2020 's water source development project a top community priority. This water project will provide the necessary water units for the DHHL housing program, L2020's community facilities development, and thereby establishing a community park, and providing economic opportunities for native Hawaiian beneficiaries. Therefore,

Whereas, the Villages of La'i'Opua Association is currently comprised 280 single family units with an estimated 980 residents residing in the Villages, and

Whereas, La'i'Opua 2020 (L2020) a 501C3 beneficiary nonprofit corporation was established in 2005 by the Villages of La'i'Opua (formerly known as Kaniohale Community Association) and incorporated in 2007, and

Whereas, DHHL has exhausted all its water units for any future improvements of the Villages of La'i'Opua, and

Whereas, the Villages of La'i'Opua Association Board has determined that DHHL does not have water units and that all future improvements to the homestead of La'i'Opua Association would be delayed indefinitely, and

Whereas, since 1998, the VOLA members has been waiting for the Village 4 park improvement which was not included in the recent development package of Villages 4 Hema Housing improvement for "lack of water units/ credits, and

Whereas, our Keiki's are playing in the narrow streets posing a serious risk to there safety, and

Whereas, VOLA Board of Directors oppose utilizing Village 4 proposed park for a temporary "boat storage area", and

Whereas, the L2020 Board of Director's has made water source development the organization's top priority, and

Whereas, L2020 secured funding of up to 45% of the water source development project costs by way of a USDA Rural Utility Service grant, and

Whereas, L2020 has assembled a team of consultants to provide the necessary reports to include the environmental assessment report and preliminary engineering report, to thereby generate a construction cost estimate for a well, and

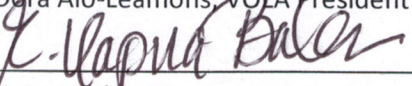
Whereas, L2020 has secured a commitment from a landowner to develop a well to provide water for the improvements to the Villages of La'i'Opua Homestead Association for housing, community facilities, and economic development, and

Therefore, be it resolved, that The Villages of La'i'Opua Association Board of Directors support La'i'Opua 2020 water source development initiative to include acknowledging the attached project Exhibits A, B, and C.

Be it further resolved, the Villages of La'i'Opua Association Board does seek the support of the DHHL Commission and Administration to provide the necessary funding to bring this water source initiative to fruition. The Board of Directors approved and adopted this resolution at its regular scheduled monthly meeting on this day May 11, 2016,



Dora Aio-Leamons, VOLA President



Kapua Baker, Treasurer



Date



Date

EXHIBIT A
WELL SITE TMK MAP
375014001



PORTIC OF WAIANA 1ST TO DICK

EXHIBIT C
WELL SITE
ENGINEERING PROPOSAL



June 11, 2020

Aloha e Hawaiian Homes Commissioners,

Mahalo for allowing me to advocate on agenda item II-B Development Budget Section, by appending below my correspondence to Maui Commissioner Randy Awo about \$4.2 million for Upcountry Maui projects.

Me ka `onipa`a,

-Kekoa Enomoto
chairwoman of the board, Pa`upena Community Development Corporation
(www.paupena.org);
2019-23 president, Maui/Lana`i Mokupuni Council, a consortium of 17 Hawaiian
homelands entities;
2019-23 secretary, SCHHA Executive Council.
cell/text (808) 276-2713

— — — — —

Aloha mai e Randy,

I invite you to attend today's 5 p.m. 6/11/20 Maui/Lana`i Mokupuni meeting via Zoom; Meeting ID: 812 9560 7516, Password: 848863.

I am concerned about 2017 and/or 2018 legislative appropriations for Upcountry Maui homelands, as follows:

- \$1.2 million for planning/design of a nonpotable-ag-waterline extension to serve Keokea farm lots.
- \$1 million for management of 90 to 120 acres of Keokea/Waiohuli cultural preserves.
- \$2 million for infrastructure for 77 Waiohuli phase-2 residential undivided-interest lots.

There was no packet available for the 6/12/20 Hawaiian Homes Commission budget workshop; so I cannot review the budget conceivably until today (although it's unsure the budget will be in today's packet); nevertheless, the advocacy-submission deadline for the 6/12/20 meeting was 4:30 p.m. yesterday 6/10/20, per 6/5/20 email below.

This situation (millions available, but no work apparent) underscores my continued support for a project manager and a planner assigned to a respective island vis-a-vis the current scenario, in which all projects funnel through DHHL Land Development Division (LDD). The latter division addresses projects on all islands with LDD's own priorities, time constraints and reasons for delays

(witness Waiohuli, whose undivided-interest lessees were promised in 2005 to receive homes a decade ago, by 2010; meanwhile, LDD ushers the newly planned Pu`unani subdivision at Waikapu, Maui).

Homestead leaders and beneficiaries appreciate department staff applying and lobbying for legislative funding. However, we call for accountability not only to deploy effectively and efficiently the millions in legislative appropriations, but also to seek beneficiary input in project implementation.

Again, I hope you will be present during today's Maui/Lana`i Mokupuni Zoom session and can provide some light, i.e., answers and/or direction. Mahalo,

-Kekoa

cc: Hawaiian Homes Commission members.

Pikake Newhouse, Keokea Homestead Farm Lots Association president.

Irene Plunkett Mina, Waiohuli Undivided Interest Lessees Association president.

Bruce Keahi, Waiohuli Undivided Interest Lessees Association vice president.

TESTIMONY:

June 11,2020

To: Hawaiian Homes Commission
Mr. William Aila, Chairperson

Aloha Mr. Chair,

My name is Blossom Feiteira, and I serve as the Maui Island President if the Association of Hawaiians for Homestead Lands.

Mahalo for the opportunity to speak to materials submitted for the Commission review and deliberation.

As expected, Covid-19 is having a devastating affect on the department's funding needs and I anticipate that this will continue until our economy is in a more stable place.

However I would like to extend my thanks to all of your divisions that are being impacted for their allocations that would continue to keep all of the current projects in the pipeline moving forward. They may not be moving as fast as we would like, but clearly from the documents presented, they are all moving forward.

I am also thankful that funds allocated in the previous budget cycle are available, in particular archaeology survey work for in Keokea/Waiohuli among others.

The work before the Commission will be difficult as you all will be called upon now and in the future to make some hard choices.

Mahalo to you Commissioners and to the department divisions for staying the course. We are in very rough waters, but I believe that you all will continue to navigate us safely to our destination.

Mahalo for the opportunity to speak on this item.

Blossom Feiteira
Association of Hawaiian Home Lands
Maui President
Sent from my iPhone